Daily Report

Latin America

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Contadora, Support Groups Urge Dialogue

PA2806161788 Mexico City XHTV Television in Spanish 0200 GMT 28 Jun 88

[Report by Isabel Zamorano]

[Text] Foreign Secretary Bernardo Sepulveda today acknowledged that new conflicts between Nicaragua and Honduras and noncompliance with essential Esquipulas II commitments have seriously hindered peace negotiations in Central America.

[Begin Sepulveda recording] This negotiating process recently has suffered setbacks that are a source of very serious concern to members of the Contadora and Support Groups. [end recording]

Sepulveda and the foreign ministers of Colombia, Panama, and Venezuela—which are members of Contadora—and those of Argentina, Peru, and Brazil—which are members of the Support Group—made an urgent appeal to Central American governments to resume the political dialogue for peace, end their support for the rebels, and not allow their territories to be used to threaten or attack neighboring countries.

In the communique issued today by the Contadora and Support Groups at the end of their meeting, they also called on countries with interests in the area not to promote violence and to contribute to peace.

Sepulveda and members of the Contadora and Support Groups—which are also known as the Permanent Mechanism for Consultation and Political Coordination—reported during a news conference that during the first stage of the meeting held in Oaxaca, they agreed that a second meeting of presidents of member countries of the Permament Mechanism for Consultation and Political Coordination will be held in Punta del Este, Uruguay, from 27 to 29 October. At Punta del Este, the eight presidents will launch a program for Latin America's political and economic integration over the next few decades.

SELA Meeting Opens With Call for Regional Unity

PA2806171388 Madrid EFE in Spanish 2335 GMT 27 Jun 88

[Text] Caracas, 27 Jun (EFE)—Uruguayan SELA Secretary Carlos Perez del Castillo suggested today that Latin America and the Caribbean should turn integration plans into a political agenda.

Perez del Castillo made this proposal during the opening of the preparatory meeting of the XIV SELA Latin American Council. This meeting is taking place in Caracas with the participation of delegates from the organization's 26 member countries.

The Uruguayan diplomat said that area countries have yet to view the integration process as something other than just an idea. He noted that in view of the continent's economic situation, it is necessary to move from words to action. SELA's secretary believes that Latin America and the Caribbean must "exercise the negotiating power" the region would be entitled to if its countries were united and cooperated with each other, a situation that would permit the creation of "a truly Latin American system." Perez del Castillo noted: "The international economic situation remains unfavorable for the region, protectionism is growing, and an imbalanced financial and monetary situation exists." He added that it is of foremost importance for the region's countries to transform the integration effort into a "balanced and coherent" political agenda that could adapt perfectly to various national economic policies and plans.

The SELA official said that thus far integration has been viewed only as a basis for "rhetorical" statements and that, in the future, integration should produce "true and permanent interdependence."

One proposal discussed by the SELA secretary concerns the necessity for all members of this regional organization to work to achieve collective bargaining power in negotiations. Perez del Castillo said that one power-producing negotiating mechanism that SELA countries can implement is to make joint purchases, something "about which industrialized countries are very sensitive."

The meeting opened today at SELA's headquarters. It will last until Wednesday. Experts attending the meeting will have the opportunity to analyze proposals presented by Carlos Perez del Castillo.

Cuba

Ortega Activities, Official Talks Reported

FL2806161088 Havana Tele-Rebelde Network in Spanish 0051 GMT 28 Jun 88

[Speech by PCC Politburo member Osmani Cienfuegos at a ceremony to award the Jose Marti Order to Nicaraguan President Daniel Ortega at Havana's Palace of the Revolution—live]

[Text] Commander of the Revolution Daniel Ortega Saavedra, president of the sister Republic of Nicaragua, coordinator of the Executive Committee of the FSLN National Directorate; Commander in Chief Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Cuban Councils of State and Ministers; dear comrades of the official Nicaraguan delegation here with us; comrades:

Revolutionaries are not given to thinking of decorations and honors. As Che said, a genuine revolutionary is guided by a deep love and by justice. However, nothing is more fair than to recognize the work of the men who identify with the cause of their people and, with unswerving faith, know how to lead them to victory.

With deep sympathy and a spirit of solidarity, we Cuban revolutionaries have always followed each step of the heroic struggle of Nicaragua and its veteran vanguard, the FSLN. Cuba viewed the 19 July 1979 triumph as its own. You, dear Comrade Daniel, and the comrades of the National Directorate are undisputed heroes and prominent protagonists of this triumph. From that memorable date on, we shared common strivings, dangers, and enemies, the reason why we consider Cuba's modest contribution, in terms of solidarity, to Nicaragua's liberation effort as part of our duty.

With the triumph of the Sandinist people's revolution, another exploit began for the Nicaraguan people, one that is even more difficult and one the nations of our continent see in its full importance and historical scope. The value of that 19 July already has outstanding significance for all the people of our America who have firm faith in and hopes for the triumph of the beautiful and heroic struggle the people of Sandino have waged and are waging at present. The profound transformations of liberation experienced by the peoples of Nicaragua and Cuba clearly demonstrate the lasting truth of revolutionary ideals and reaffirm in our minds the teachings of Che and Carlos Fonseca Amador.

How indestructible are revolutions when they are led by united and convinced vanguards! How powerful our peoples against the aggressor! The heroic people of Nicaragua have demonstrated this with their blood in the course of these years spent confronting the infamous dirty war declared by Yankee imperialism. The present U.S. Administration made the liquidation of the Sandinist revolution one of its dishonorable, ambitious, and obsessive goals. The magnitude of this aggression has had no precedent on this continent. However, this policy of aggression has been internationally isolated today. It has failed and is more distant than ever before from its goals. All of this is due, first of all, to the heroic Sandinist fighters and to the extraordinary sacrifice of the Nicaraguan people.

Even so, the present American rulers have not ceased in their absurd effort to try to destroy the Nicaraguan revolution. They once again show their total ignorance of the patriotism and integrity of our peoples of Latin America.

Both you and the Sandinist leadership, heirs of Sandino and Carlos Fonseca Amador, are the synthesis of that history of revolutionary courage, worth, and creativity.

Dear Comrade Daniel, you were barely 15 when you were captured and tortured by the repressive organs of one of the longest and cruelest dictatorships on this continent. In 1961 and 1962, you organized cells of urban resistance. In 1963, you joined the FSLN. You were put in charge of the student movement and founded the civilian-military committees. In 1965, by virtue of your qualifications, you were elected a member of the FSLN National Directorate. In 1966, you were made responsible militarily for the domestic front.

Jailed and tortured once more in 1967, the dictatorship again learned of your moral and revolutionary integrity and courageous principles in the face of brute force. You demonstrated that the torture and dismal cells used by the ruling tyrants, imposed by Yankee imperialism on Latin America through the years, have not been able, nor will be able, to break the spirit of revolutionaries when they start walking the road to liberty.

Inspired by the example of the immortal general of free men, of his own father, who joined the liberation struggle, and of the unforgettable Carlos Fonseca, founder of the FSLN, you raised the flag of the Nicaraguan people along with your comrades in arms. You did not cease in your efforts until you led them to final victory.

You, Comrade Daniel, played a prominent role both in the unity of the FSLN and in the formulation of the political-military strategy that took the people to the 19 July victory. By carrying out many and important missions in all fields in the uninterrupted offensive that ended in the defeat of the Somoza dynasty, you became a leader beloved and admired by all your people.

Nicaragua, a geographically small country, but one with a great history, is also an independent, nonaligned country that has fought and will continue to fight for the progress of its people and the defense of its revolution, and to achieve the just peace that belongs to free and sovereign nations. Its mature and intelligent foreign

policy and its serious position favoring the search for peace in Central America have earned the Sandinist revolution the admiration, respect, and solidarity of peace-loving nations.

These have been years of intensive work, in which your personal style of maintaining direct, close, and constant links to the masses has been a distinctive trait in your leadership. You and the comrades of the FSLN directorate have visited our homeland many times. You have held productive exchanges with high-ranking leaders of our party and government, especially with Comrade Fidel, the principal author of our people's solidarity and revolutionary internationalism. These repeated contacts have strengthened relations between our governments and parties, and cemented the unshakable friendship between our two nations.

In these complex and difficult years of struggle, you have played a leading role, along with the FSLN and your people, in one of the most heroic and beautiful periods in the history of your country and of our continent. This moment is very significant. First of all, it means expressing the immense affection our national hero, Jose Marti, felt for Nicaragua in just tribute to your people. Marti also felt much affection for your great Ruben Dario, whom he called his son. Dario echoed his ideals when he wrote: Marti never stopped preaching to nations of like blood to be careful with those preying men. He told them to never see in those overtures and pan-American schemes anything but the ruses and deceit of the Yankee merchants.

Nicaraguans and Cubans have not ceased preaching these ideas to the nations of like blood. In their materialization, the lives of such figures as Carlos Ulloa were lost on the shores of Playa Giron. Large amounts of Cuban blood have also watered Nicaraguan soil. These are beautiful examples of the loving fraternity, the deep friendship, and the courageous and conscious determination that characterize the sons and daughters of our respective homelands and hence of the great American homeland.

Comrade Daniel, as an expression of this recognition and of the inexhaustible solidarity uniting all revolutionaries, our commander in chief, Fidel Castro, in the name of the Council of State and reflecting the feelings of our party, government, and people, will present to you the order of our national hero, Jose Marti. Thank you very much. [applause]

Presides With Castro at Talks

FL2806174988 Havana Tele-Rebelde Network in Spanish 1700 GMT 28 Jun 88

[Text] Official talks between Cuba and Nicaragua continue today in Havana. The first meeting is presided over by Commander in Chief Fidel Castro, first secretary of the PCC Central Committee, and Commander of the Revolution Daniel Ortega, president of the Republic of Nicaragua and coordinator of the Executive Commission of the FSLN.

At the first meeting held by the two leaders, Fidel reiterated our people's solidarity with the revolutionary process of our brother country in Central America.

For his part, Daniel Ortega referred to his country's position on the Esquipulas and Sapoa agreements concerning a negotiated solution to the conflict with the counterrevolutionaries.

During the talks that were held in a fraternal and friendly atmosphere, they also discussed bilateral affairs and cooperation possibilities between the two parties and governments.

Tours Child Care Center

FL2806233088 Havana Radio Rebelde Network in Spanish 2300 GMT 28 Jun 88

[Text] Commander in Chief Fidel Castro and the president of Nicaragua, Daniel Ortega, visited the Los Compas child care center in Havana this afternoon. Osmani Cienfuegos, member of the PCC Central Committee Politburo, and Jorge Lezcano, first party secretary for the City of Havana Province, also accompanied the high-ranking delegation from the fatherland of Sandino.

The statesmen and their entourage toured the facilities of the modern child care center while the children were singing and dancing for the visitors. The commander in chief explained to Ortega the thrust that is being given to the construction of child care centers, because the creation of the centers allows for the incorporation of women to the work force.

Views Havana Social Projects

FL2906015888 Havana Television Service in Spanish 0000 GMT 29 Jun 88

[All speakers unidentified]

[Text] Commander in Chief Fidel Castro accompanied today Daniel Ortega Saavedra, president of Nicaragua, on a tour of various social projects in the capital.

This afternoon, the Nicaraguan delegation, along with the president of the Councils of State and Ministers of Cuba, visited the Los Compas child care center which is located in Revolution Square municipality. The delegation toured the facilities and observed various recreational and cultural activities presented by the children. The Los Compas child care center was inaugurated in December 1987. According to an explanation given by the center's director, Daniela Perez, Nicaraguan youths studying in our country participated in the construction of the center along with members of Brigade No 4. Los Compas has a total enrollment of 210 children from 45 days old to 5 years of age. The name of the center was chosen by workers of the center and by the construction workers who built it. The center also constitutes a symbol of the brotherhood between the peoples of the

Nicaragua and Cuba. Fidel and Ortega were bid farewell by a musical band composed of Pioneers from schools located near the child care center.

The commander in chief and the Nicaraguan leader later visited a family doctor clinic located in Marianao. Upon arriving at the building, Fidel and Ortega greeted the construction workers who were there. The majority of the workers were youths from the Manuelito Aguilar pre-university school. This clinic includes the house office for the doctor and nurse. The clinic is also expected to be totally furnished within the next few days and should begin serving the neighborhood of that zone at that time.

During their tour, Fidel and Ortega expressed interest in how the youths related their learning activities with construction work; they also wanted to know about their working conditions. Both leaders spoke with the project chief and others who were present about the cost of the project and other matters of interest.

[Begin recording] [Castro] What was the cost of [word indistinct]?

[Speaker] Approximately 30,000 or 31,000 [unit not specified].

[Castro] Including salaries?

[Speaker] (?Without) including the salaries of the students. Because we also have the salaries of the workers.

[Castro] Who (?arrived) at this cost?

[Speaker] They did, themselves.

[Castro] It was 31,000 pesos. How much would it cost including the salaries?

[Speaker] [Words indistinct]

[Castro] 40,000, 45,000?

[Speaker] I think it would be approximately 40,000 pesos.

[Another speaker interrupts] Depending on the [words indistinct] minibrigade worker we have. [Words indistinct] driver. Remember that they came with the [words indistinct] salary.

[Castro] Yes, the minibrigade worker comes with [word indistinct] salary. The driver has nothing to do with the construction. [Castro addresses another worker] Did you know about construction work?

[Speaker] Yes, for 40 years.

[Castro] These buildings look very different. Let me tell you that they look very different when they have televisions, refrigerators, [word indistinct]. And this is the first one. I read a report yesterday that says there are 20,000 students in the whole country who work in child care centers, helping. But this one [word indistinct], they did all of it. Helping with a project is not the same as doing a complete project. In the coming year, they will build a child care center, and other pre-university students will build another child care center. We are increasing our experience.

[Ortega] How many qualified workers worked with you?

[Speaker] There were 6 of us plus the 44 [word indistinct] but sometimes we had 100. For example, sometimes we got help from the students of the pre-university.

[Another speaker] Up to 150 participated. But I could not come once a week because I had classes...

[Ortega, interrupting] But what was the maximum qualified work force?

[Speaker] The qualified force consisted of five people. Not even they were all qualified. Some of them learned with the youths here.

[Ortega] Ah, yes.

[Castro] How many were actually qualified, only two?

[Speaker] In other words, there were two of us, but I barely had time to work, much less to (?evaluate) them.

[Another speaker] And those qualified comrades became our teachers and we their students. [end recording]

Official Talks Continue

FL2906114988 Havana Tele-Rebelde Network in Spanish 1100 GMT 29 Jun 88

[Text] Official talks between Nicaragua and Cuba continued, presided over by Commander in Chief Fidel Castro Ruz, first secretary of the party and president of the Councils of State and Ministers, and Commander of the Revolution Daniel Ortega Saavedra, coordinator of the Executive Commission of the FSLN.

During the talks, they analyzed the situation in Central America and the dirty war policy carried out by the Reagan administration against Nicaragua. They also stressed the reiterated and serious peace efforts of the Sandinist people's revolution in Central America, and especially in Nicaragua. The two leaders also discussed the progress of bilateral relations between the governments and parties of the two countries, which were said to be very satisfactory.

Ministers and other members of the Nicaraguan delegation had working meetings with their Cuban counterparts.

Gorbachev Address to CPSU Conference Reported

FL2806180188 Havana Radio Rebelde Network in Spanish 1700 GMT 28 Jun 88

[Report by Ismael Tantau from Moscow]

[Text] CPSU General Secretary Mikhail Gorbachev has proposed a radical reform of the USSR's political system. Presenting his report to the 19th All-Union CPSU Conference which opened today at the Palace of Congresses, the Soviet leader emphasized that the goals of perestroyka will not be accomplished if the political system of Soviet society remains unchanged. In fulfilling the tasks of democratization, he asserted, it is imperative that we do everything possible to involve millions and millions of workers in the country's administration in actual fact and not in mere words. Elaborating on this idea, Gorbachev stressed that a wide berth must be given to the processes of society's self-regulation and self-management and conditions created for the full development of initiative among citizens, as well as representatives of organs of power, party and social organizations, and labor collectives.

The Soviet leader then noted the need to learn of the interests and the will of all social classes and groups, ensure the conditions for the free development of each ethnic group, and strengthen friendship and cooperation on an equal footing based on the principles of internationalism.

In his more than 130-page report, which was closely followed by almost 5,000 delegates, Gorbachev summarized what the Soviet party and government have done in the past 3 years, as well as what they intend to do in the future in the USSR at all levels.

Further on Report

FL2806182888 Havana Radio Reloj Network in Spanish 1332 GMT 28 Jun 88

[Text] Addressing the delegates to the 19th All-Union CPSU Conference in Moscow today, Soviet leader Mikhail Gorbachev proposed the establishment of a new supreme organ of state government in the USSR, the congress of people's deputies, whose members would form the Supreme Soviet. The goal of Gorbachev's great reform is to considerably increase workers' representation in the state's higher government ranks. He indicated that these legislators would be elected for a 5-year term and the 400 or 500 members of the Supreme Soviet would be drawn from these; it in turn would be divided into 2 chambers, the chamber of the union and the chamber of nationalities.

The Soviet leader said that this Supreme Soviet, subordinate to the congress of people's deputies, would be the top organ of permanent government.

Gorbachev's proposals will now be submitted for discussion. The proposals include reforms of the electoral code so as to ensure that candidates to the post will be competitive, that incumbents regularly report back to their constituencies, and that they may be removed from their posts. It also limits the period of legislative service to 10 years.

Gorbachev said that the restructuring of the political system presupposes decentralizing many management functions, pushing on with juridical reform, and revising penal legislation. He stressed that this process could begin in the fall of 1988 so that the reorganization of the state government organs can be effected after the general elections slated for the spring of 1989.

Further Reportage on Visit of Ghana's Obeng

Tours Livestock Unit

FL2706142888 Havana Tele-Rebelde Network in Spanish 1100 GMT 27 Jun 88

[Text] The delegation from the Republic of Ghana, headed by Prime Minister P.V. Obeng, has toured the installations of the Santiago de Cuba pig genetics center.

(Raul Foramigo), director of this unit—the only one of its kind in the eastern provinces—gave the visitors from Ghana a detailed briefing. The collective has been a national vanguard of the agricultural-livestock trade union for the past 8 years in a row and they guarantee breeding for centers in five provinces throughout the country. They have facilities for 5,000 animals.

Obeng, who is also a member of the Provisional National Defense Council, expressed an interest in the center's production abilities and their fulfillment of health requirements, which make this unit one of the most outstanding of the National Enterprise for Pig Genetics.

Visits Cienfuegos

FL2806133788 Havana Television Service in Spanish 0000 GMT 28 Jun 88

[Text] Paul Victor Obeng, prime minister of the Republic of Ghana, has toured Cienfuegos Province.

Obeng visited the 5 September agroindustrial complex which was constructed in Cienfuegos after the triumph of the revolution. While there, Obeng expressed an interest in the production process, yield, different varieties of sugarcane, cultivation areas, and the emulation tasks of the workers.

The African leader later visited the Juragua nuclear power plant.

The prime minister was accompanied on his tour by Manuel Vila Sosa, minister of domestic trade and president of the joint Cuba-Ghana commission for economic and scientific-technical cooperation, and Humberto Miguel Fernandez, first party secretary in Cienfuegos.

Views Bilateral Cooperation

FL2806235588 Havana Radio Rebelde Network in Spanish 2300 GMT 28 Jun 88

[Text] Paul Victor Obeng, prime minister of the Republic of Ghana, expressed today in Cienfuegos his satisfaction with the results of the cooperation between his country and Cuba in various areas.

The distinguished guest said to the press that the main objective of his trip to Cuba is to analyze the progress of the cooperation program in order to eliminate any difficulties which could block its development.

Risquet Valdes Arrives in Addis Ababa

FL2806034188 Havana Radio Rebelde Network in Spanish 2300 GMT 27 Jun 88

[Text] Jorge Risquet Valdes, member of the PCC Central Committee Politburo, arrived today in Addis Ababa. He is there on a working and friendship visit.

Received by Mengistu

FL2806234188 Havana Radio Rebelde Network in Spanish 2300 GMT 28 Jun 88

[Text] Mengistu Haile-Mariam, president of Ethiopia, received today Jorge Risquet Valdes, member of the PCC Central Committee Politburo, in Addis Ababa. The two officials discussed important international and bilateral matters.

Machado on Model Role of PCC, UJC Members

FL2406133388 Havana Radio Progreso Network in Spanish 1100 GMT 24 Jun 88

[Text] Jose Ramon Machado Ventura, member of the PCC Politburo, has asserted in Pinar del Rio that the rectification process makes it possible for the members of the PCC and the UJC [Union of Young Communists] to raise their exemplarity and combativity. That is why they are called upon to further strengthen aspects in which some deficiencies are still evident. Concluding a 2-day visit to the province, Machado Ventura emphasized that there was a need to make the internal functioning of the party and attention to the UJC more perfect.

Finance Official on System for Paying Fines

FL2106032388 Havana Television Service in Spanish 0000 GMT 21 Jun 88

[Interview with Roberto Blanco, vice president of the State Committee for Finance, by Richard Clenton; date and place not given—recorded]

[Excerpts] [Clenton] Who has the authority to impose fines for interfering with the public order or for violating fire or driving laws and, above all, where are these paid? [passage omitted]

There is undoubtedly some confusion as to where the fines are paid and who is authorized to impose them. We sought an explanation from the State Committee for Finance.

[Blanco] The authorities who have the authority to impose fines for violations are primarily the National Revolutionary Police and inspectors for community service, public health, and the Ministry of the Fishing Industry.

Each municipality has an office that collects fines. The people are required to go to that office to pay fines. A citizen has 30 days to pay a fine. If the fine is not paid in 30 days, it is doubled. Twice as much is charged. However, if this doubled fine is not paid within 30 days, this office will take the appropriate steps to garnishee wages or to take other goods the citizen may possess. If this is not possible—for instance if the citizen has no job or personal goods—then the case is transferred to the tribunals and they take the appropriate action.

[Clenton] What is done to find jobs for former prisoners who have been released according to the adjustments made to the penal code? This will be our next topic.

Garcia Frias Closes Ecosystems Seminar

FL2706150088 Havana Tele-Rebelde Network in Spanish 1100 GMT 27 Jun 88

[Text] The Latin American seminar-workshop on protected ecosystems in mountain areas was closed at the Baconao Park in Santiago de Cuba. Esteban Lazo, member of the PCC Politburo and first party secretary in Santiago de Cuba, presided over the final session along with (Mario Galis), FAO representative, and other personalities.

The meeting included the participation of delegates and guests from 10 Latin American countries. Works were presented on protected areas and scientific sessions.

Commander of the Revolution Guillermo Garcia Frias, member of the PCC Central Committee and chairman of the main committee of the Sierra Maestra National Park, made the closing remarks at the event.

Caricom

Outgoing Chairman Says Leverage Lost on Haiti

FL2806163488 Bridgetown CANA in English 1540 GMT 28 Jun 88

[Text] Castries, St Lucia, June 28, CANA—Outgoing Caribbean Community (Caricom) chairman, St Lucia Prime Minister John Compton, says there is very little the regional bloc could now do or say in respect of Haiti, as the community has lost its leverage. Caricom lost its leverage as early as 1986 when sufficient attention was not paid by the community to the events in Haiti, and the country was allowed to go adrift, Compton said in a CANA interview.

This was Compton's first statement on Haiti since the military ousted civilian President Leslie Manigat, installed in February following elections that were widely denounced as fraudulent.

He said that by November 1987, when the first attempt at elections was aborted following violence, Haiti was lost.

The Manigat election...we never accepted as we made it clear also in my capacity as chairman of Caricom, that the elections were seriously flawed, and we were not prepared to accept the results, he noted.

Compton said what happened in Haiti last week came as no surprise.

I knew that the elections were not something that the Haitian people would accept. When the military intervened, there was nothing for the Haitian people to defend, there was no democracy, Compton said. I do not think that Caricom can say very much but to condemn the action by the military. We have no trade with Haiti. All we can do is take a moral stand on the issue.

Compton said he expected the issue to be discussed when the Caricom heads meet in Antigua and Barbuda next week. I believe a Caricom statement will be forthcoming.

Bahamas

Staff Members of Embassy in Haiti Recalled

FL2806215788 Nassau Domestic Service in English 1700 GMT 28 Jun 88

[Text] All staff members of the Bahamas Embassy in Haiti have been recalled. That coming from the Ministry of Foreign Affairs yesterday. The recall is for consultation. It comes a week after the military coup in Haiti in which General Henri Namphy seized power from President Leslie Manigat.

Dominican Republic

Vice President on Contract Talks for Haitians

FL2506020588 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 24 Jun 88

[Excerpts] [Passage omitted] An article by journalist Jesus Jimenez, appearing on the first page of the newspaper HOY, reports that Dominican Vice President Carlos Morales Troncoso says he hopes the new Haitian authorities will continue to talk with them, to see if they can come up with a contract to send Haitians to cut cane in the Dominican Republic.

Mr Morales Troncoso said the CEA [State Sugar Council] will need some 15,000 Haitian cane cutters for next year's sugar harvest. This is what will ensure the success of the harvest, especially now that the price of sugar is beginning to once again increase on the international market.

Although he agrees that it is too early to discuss what the attitude of General Namphy's new government will be, the Dominican vice president said he hopes the two governments will be able to get together and come up with a dignified agreement. [passage omitted]

They think that in the future, they will have enough cane cutters to do the work.

Things are not too (?easy) in the Dominican Republic either. The cost of living is constantly on the rise. The Dominican peso is at 7.5 and sometimes even 8 pesos to the dollar. The population is complaining, and there were tires burning today in several working-class sections of town in protest of the high cost of living. They announced that there will be a general strike next month.

Haiti

Persons at Manigat's House During Coup Released

FL2806210088 Port-au-Prince Radio Antilles Internationales in Creole 1700 GMT 28 Jun 88

[Text] Several people who were at Manigat's house on the night of 19 June, the night of the coup, were arrested, and all of them were taken to Fort Dimanche. In a brief conversation we had with him, Major Isidore Pongnon told us that three of these people had already been released last week: Yvon Simeon, Pierre Rigaud, and Mireille Benodin.

For their part, (Jean Berthony Bogard), Robert Benodin, and (Frantz Jean-Louis), who are American citizens, were turned over by the police to the American consul general in Haiti today.

Meanwhile, Harry Carrenard, who [illegible] a Canadian citizen, says that it is true that he holds du[illegible]tionality, but that he considers himself Haitian. He [illegible]ys they are forcing him to leave the country.

We remind listeners that there [illegible] been rumors to the effect that Harry Carrenard a[illegible]. Roger Savain were foreigners in Manigat's cabinet.

As for Roger Savain Jr, he has no problem, because he is Haitian. But as for his father, they are studying his dossier.

We briefly interviewed Harry Carrenard, the former minister of social affairs. Let's listen to what he has to say to us:

[Begin recording, in French] [Carrenard] Yes, I was well treated.

[Reporter] Well treated.

[Carrenard] Yes. Very well t[illegible]ated.

[Reporter] And now what[illegible]re you being sent back to Canada?

[Carrenard] It was decided. It was decided. [repeats himself] It was decided that I am a Canadian citizen and that I am to return to Canada, whereas I consider myself Haitian.

[Reporter] [Question indistinct]

[Carrenard] Yes, yes, I was well treated.

[Reporter] You are going to leave the country, isn't that so?

[Carrenard] It was decided that I am leaving the country.

[Reporter] [Question indistinct]

[Carrenard] So it appears.

[Reporter] Would you like to make a statement?

[Carrenard] Let us say that politics is a game. One plays it and one either wins or loses. We ourselves lost. We only hope the country hasn't lost too much also.

[Reporter] [Question indistinct]

[Carrenard] They decided to ship me out. Ask them the question.

[Reporter] You say you have lost. What do you mean by this?

[Carrenard] I say that in politics, we are the losers now, right? The very fact that I am here and that you are asking me questions about my future in Canada is a sign that I have lost.

[Reporter] What are you going to do in Canada?

[Carrenard] It was they who decided to send me back there.

[Reporter] It seems you have dual nationality.

[Carrenard] Yes, I do. Canada permits dual nationality. But I recovered my Haitian nationality 3 days after Mr Manigat took the oath of office.

[Reporter] Did you give up your Canadian nationality?

[Carrenard] That is not that easy to do. It is a problem of international law applicable to private citizens; it is up to the different countries to decide. But as a simple citizen caught in this play of dual nationalities, it is a puzzle.

[Reporter] Why exactly were you released?

[Carrenard] I don't know why I was released. Ask the police commander. It is true that my wife is in Canada, and she must have been worried.

[Reporter] Why were you arrested?

[Carrenard] I was arrested because I happened to be at the president's residence when it was besieged.

[Reporter] Thus, you have been released, but you must leave the country?

[Carrenard] So it appears. A special word: I consider myself a Haitian citizen. I struggled for the democratization of my country's institutions, and since this democratization was realized, I came and put my good will and my skills at the service of democratization. And I hope (?to be able to continue) to do so. Once abroad, I am going to study with my family the possibility of definitively abandoning Canadian citizenship and returning to my country. [end recording]

As you just heard, that was Harry Carrenard, who said he was going to fight to recover his nationality. But despite everything, he considers himself Haitian and was struggling to establish democracy in Haiti. He hopes to continue working to make democracy blossom in Haiti.

But what does the representative of the Canadian consul general in Haiti have to say about this? Listen:

[Begin consul general recording] [Words indistinct] I am here in a purely consular capacity. It is perhaps a question of definition, but I have the impression that he cannot remain. [end recording]

(Jean Hughes Noel), a collaborator of former President Manigat's who was arrested on the day of the coup, says that he himself is returning to prison because he is Haitian. He also said that he had been well treated in prison and that there were still some people in Fort Dimanche who had not yet been taken to the police offices. Let's listen to what (Noel) said to us:

[Begin recording] [Reporter, in English] Are you released? Are you free?

[(Noel), in French] No, no. I am going back to the prison.

[Reporter, in English] Returning to prison. Why are they holding you?

[(Noel)] Because there was confusion as to whether I held Canadian or Haitian nationality. I am Haitian.

[Reporter, in French] So, you simply intend to remain in prison?

[(Noel)] I am going back until they release the Haitians. The foreign nationals were released this morning.

[Reporter, in French] How many of you are there left in prison?

[(Noel)] There are some 13 to 15 of us. I wish to state that we have been very well treated.

[Reporter] [Question indistinct]

[(Noel)] We were at the president's residence on the day of the coup d'etat.

[Reporter] [Question indistinct]

[(Noel)] The Haitians have not been released. There are some 15 of us.

[Reporter] Some 15 Haitians?

[(Noel)] Yes, the head of President Manigat's staff; the director general of information, Rodney Marcellus; (Serge Martineau), the administrative director of the Ministry of Information; and several others.

[Reporter] [Question indistinct]

[(Noel)] No, nothing. They have not as yet told us anything. [end recording]

[Words indistinct] Maj Isidore Pongnon told us that there were no longer 15 people in prison. He said there were maybe seven or eight people left in Fort Dimanche. He also told us that those people were going to be released very soon.

Organizations Condemn 19 June Coup D'Etat
FL2806200388 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 27 Jun 88

[Text] Ifopada [not further identified] says it condemns the 19 June coup d'etat. [Words indistinct] condemns the CNG [National Government Council] coup.

Never during the history of Haiti has a coup ever returned power to the hands of the Army to the benefit of the people and the country. This coup is just like the one of 14 June 1957 that instituted the Duvalierist dictatorship.

Ifopada condemns the foreign (?powers) engaged in intrigues behind the scenes in favor of the coup d'etat and then pretending to weep over the misfortune of the Haitian people.

Ifopada denounces the maneuvers of petty politicians who (?in pursuit of) personal advantage are misleading the people as to the real nature of the military government, a government that is going to prolong the country's misfortune. The group invites the entire Haitian people to organize and to prepare themselves to struggle against any dictatorship and to install a democratic government.

For its part, the Liaison Committee of the Democratic Forces invites the military who broke off their agreement, their commitment to Leslie Manigat, to turn power over to the president of the Court of Cassation so that a government of national unity, in which all sectors of the civilian society are represented, can be formed and elections organized within 3 months.

The Liaison Committee believes that the military government formula cannot offer any respect for human rights or for the Constitution the people ratified in March. Also, such a government will lead the country into an abyss.

The country is already blocked and it will be cut off from the rest of the world; it is the Haitian people who will pay.

That is the reaction of the Liaison Committee of the Democratic Forces.

Military Man Arrested, Injured in Cabaret
FL2806212688 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 27 Jun 88

[Report by correspondent Jean Joseph Sanon from Cabaret]

[Excerpts] Last Thursday, the police in Cabaret arrested two suspicious, unidentified people. These two men, (Residan Icanaire) and (Fritz Arius), were standing on National Highway No 1 waiting for a public transportation vehicle in the vicinity of (Gariche Labroderie), first communal section of Cabaret.

The people in the area, who were a bit nervous, alerted the police, who arrested the men at approximately 2300.

When they arrived at the barracks, (Residan Icanaire), one of the two men—who were dressed in civilian clothing—had a well-wrapped FAL rifle inside a bag. The other man, (Fritz Arius), was carrying bullets in an attache case.

(Icanaire) identified himself as a member of the Armed Forces in active service in a corps in Port-au-Prince that we don't want to name. (Arius) is a military man who has been fired.

The sergeant at the barracks in Cabaret wanted to do the proper thing, because he couldn't understand what they were doing in the area at that hour. The men declared they were members of the Armed Forces and could not be locked up.

In [words indistinct], according to our reports, the sergeant hit them, and (Icanaire), the one in active service, was seriously hurt. He had head wounds and was in bad shape. He was given first aid in Cabaret, and Friday at 1800 an ambulance came to get them, accompanied by several members of the same corps that we said we would not name.

There were many strange things said in the barracks, and Friday night there was shooting in Cabaret.

Also, on the night of 26 June, armed thieves dressed in olive green and wearing masks attacked the residence of Mrs (Petrus Auguste) in the Cite in Cabaret. Her husband had gone to work a night shift. The thieves broke into her house, searched it, mistreated the woman, and took away approximately $1,000. Furthermore, while they searched, they asked her for the money for the house she was going to build, the money for the business, and the money from the solde. [passage omitted]

The men handcuffed the woman, threatening to cart her off because she did not want to turn over the money. Finally, she had to give them the money she had at home, which she was saving to build a little house with.

This is Jean Joseph Sanon, Radio Soleil, Cabaret.

Arrests in Celebration of Manigat-Ordered Transfer

FL2706210588 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 27 Jun 88

[Excerpt] We will now hear some provincial news from the Thomonde area in the central plateau, where our correspondent tells us six young men have been imprisoned after demonstrating last week following the Manigat government's transfer of Commandant Gabriel Pinas.

[Begin correspondent recording] The six young people arrested in Thomonde, at the instructions of adjutant Gabriel Pinas, are imprisoned at the barracks in Thomonde.

Reports from Thomonde say these young men were celebrating in Thomonde, after learning of the transfer of adjutant Gabriel Pinas. These young men were later arrested and taken to the barracks in Thomonde, where they have been badly beaten. This situation is causing great concern in the commune of Thomonde. Among the six young men locked up at the military [words indistinct] in Thomonde are: Theodile Lafalaise, Toussaint Dazam, Ti Fan-Fan Simon, Dioveneg Carlos, and Mr Santiague.

According to a letter sent us by some committed laymen, they are asking for help with adjutant Gabriel Pinas. [passage omitted] [end recording]

Another Promotion in Saint-Marc Announced

FL2806214388 Port-au-Prince Radio Metropole in Creole 1600 GMT 27 Jun 88

[Report by Luis Ramon Jean-Pierre from Saint-Marc]

[Excerpts] [Passage omitted] There have been some promotions in the military district of Saint-Marc.

Captain ad honores Ernest Ravix, who was commanding the military district of the lower Artibonite, has been promoted to first captain. [passage omitted]

Many observers seem to link these two events, as if the reason for these promotions within the Army is the demonstration held in Saint-Marc. However, the demonstrators themselves did not say.

Martinique

Haitian Committee To Organize Political Group

FL2506014788 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 24 Jun 88

[Excerpts] The Haitian community in Martinique was not surprised to hear that the military had carried out a coup d'etat and seized power, said Dr Max Casimir, spokesman for the Committee for the Coordination of the Struggle Against Dictatorship in Haiti, in an interview he granted Radio Soleil. He also said that some people, who were beginning to become accustomed to the situation that existed in Haiti, were shocked.

As regards politics, they feel Manigat has had an unpleasant experience, due to his political miscalculation. They also feel the Haitian political class has no real convictions.

Dr Casimir also spoke of the political class' reaction in Martinique. For the time being, only the Socialist Federation of Martinique [FSM], the party of Fort-de-France's deputy and magistrate (Cesaire Aime), has spoken out and taken a stand. They have denounced the coup and asked that all aid to Haiti be suspended.

[Begin Casimir recording] The Haitian community's first reaction was a reaction of non-surprise. It was at the same time an emotional reaction, because there were people who had begun to become accustomed to the status quo and who were even thinking of returning to Haiti. [passage omitted]

We had said from the beginning that Manigat thought his ability to maneuver, skill, and intelligence could make up for the mobilization and determination of the Haitian people in their struggle to recover their freedom. We today note that Manigat has paid dearly for this miscalculation.

Secondly, we note that tyranny has always existed, but that no tyranny has ever been invincible. To vanquish a tyranny, we think the political class must show great conviction. Unfortunately, that is what the Haitian traditional class lacks. [passage omitted]

Here's what we propose for the time being. It remains our priority to organize a broad, modern, political group that can absorb all democrats and propose to them, at the beginning, that they accomplish a series of tasks of national urgency. For example, here in Martinique the Haitian problem is felt as a kind of humiliation. I mean, when they speak of Haitians here, it is as if Haitians are worthless—people who have problems at home that can't be resolved, people who spread disease, are starving, and are not educated. [passage omitted]

We think that one condition must be attained in order to resolve all these problems: We must put an end to dictatorship. That is, there must be freedom, so that people will take initiatives that will permit them to be creative in seeking solutions to these problems.

The events of 29 November and of Sunday night have led us to reflect and question the nature of the Haitian Government. I mean, we see that it is not a government but, rather, a bunch of pirates who have taken over a country, taken over a government apparatus, and they are trying to use it for ends which do not correspond to the Haitian people's interests, such as the contraband business, the drug trafficking business, and perhaps other things.

Our strategy for the coming days is to make dossiers on these matters, particularly the drug thing, because people are very sensitive to it, because it does a lot of damage in developed countries and is beginning to hit Martinique and Guadeloupe. We are going to put together dossiers to show that there are people at the highest levels of the Haitian Government involved in this, to show that the international community is affected by what is going on in Haiti and must take a clear position, must take severe and effective positions against this military dictatorship that we have now. [passage omitted]

For the time being, it is the FSM, the socialist federation, that has taken a clear stand denouncing what happened in Haiti last Sunday and asking that all cooperation with Haiti be suspended. [passage omitted]

Also, we are holding a series of meetings. We are following events to see what kind of response we can make. And in this regard, we have the support of the entire political class of Martinique, the right as well as the left. Of course, the left was much quicker to come forward and support us, in particular the socialists and the partisans of (Aime Cesaire) [name as heard]. [end recording]

PRI Leader Salinas on Election, Economy

PM2806114888 Paris LE MONDE in French 26-27 Jun 88 p 4

[Bertrand de la Grange dispatch: "The 6 July Elections Will Mark the End of the Single Party System"]

[Text] Mexico—Carlos Salinas de Gortari will be elected president of Mexico on 6 July. He is convinced of this, but is being careful not to be smug, unlike the leaders of the PRI, his political party. The PRI bosses refuse to admit that the current election campaign is the end of an era—that of "guided democracy" and fraud on behalf of the party which has ruled since 1929.

"The opinion polls give us around 60 percent of the votes, but I hope to obtain an absolute majority nonetheless" (two-thirds of the votes under the terms of the Mexican Constitution), Mr Salinas said. Indeed, the young PRI candidate (who is just 40 years old) is not obsessed by the two-thirds majority which all his predecessors without exception have obtained.

He knows that times have changed in Mexico and, he says, he wants to "take account of this new situation." "The coming election," he added, "will mark the end of the single party system and consequently the recognition of democratic pluralism. This is the result of the economic crisis over recent years and the social changes it has prompted. Citizens are now better informed and want to play a bigger part in political life."

He rejects the accusations of fraud made by the opposition which has exposed several dubious cases in the production of ballot papers. "The opposition parties," he said, "have taken part in drawing up the electoral list and they have produced no actual evidence of fraud. In addition, we have had a new electoral code since last year which gives party representatives access to polling stations to check that operations are running smoothly." However, the opposition thinks that it is not fighting on equal terms with the party candidate who has the whole state apparatus with which to wage his campaign.

Mr Salinas' campaign organization is certainly impressive. A plane transports him from one end of the country to another with a limited team of advisers; five business jets are used for all kinds of missions connected with the campaign and a Boeing is at the disposal of the press which follows him everywhere and generally gives him fairly positive coverage and, in the case of television, positively indulgent coverage. The opposition newspapers are practicing their own form of censorship and refrain from directly attacking the official candidate. However, they have no hesitation in publishing commentaries favorable to the opposition candidates.

Mr Salinas knows that his plan to modernize the system is being hampered by the interests of the huge political and trade union bureaucracy which has been comfortably installed in power for more than 50 years and sees no need for change. "The PRI," he said, "will have to change if it wishes to keep a majority. It is true that there are risks, but it would be even more dangerous to do nothing. I am not proposing a radical modernization but rather a gradual reform. The aim is not to destroy the system but to democratize it. The Mexican political system has proved its worth over the past 60 years by ensuring government succession in peaceful conditions. The vast majority of countries cannot say this."

The Progressive Center [subhead]

In the Boeing 737 plane in which he was talking with us, Mr Salinas, a straightforward and warm man, was wearing a leather jacket without a tie—one of his favorite outfits, unlike Manuel Clouthier (right-wing) and Cuauhtemoc Cardenas (center left), his opponents, who almost always wear suits and ties. He smiled when asked why he is waging such an intensive campaign when he is sure of winning. "I am seeking direct communication with the voters," he said. "I am waging the most intensive election campaign in Mexico's history because I want to convince the voters that we represent the most serious option for tackling the country's problems. The opposition candidates are talking of democracy, but their plans are not democratic in the least. They are advocating a return to the past. The left is proposing solutions which were valid 50 years ago; the right is defending extreme individualism and wants to eliminate a series of social rights guaranteed by the state. We represent the progressive center which is trying to update the blueprint which emerged from the 1910 revolution in the political and social spheres, but also in the economic sphere."

Mr Salinas' economic plans, which he has already had time to test over recent years as planning minister, are the main target of attacks from Mr Cardenas, the left-wing candidate, who broke with the PRI last year to run in the presidential election. He accuses his opponent of betraying the Mexican revolution by trying to implement an economic policy inspired by the United States, particularly as regards opening the borders and reducing the state's role by the sale of numerous nationalized enterprises to the private sector.

Mr Salinas denies wanting to "privatize" or "denationalize" the economy. He prefers to talk of "the state withdrawing from sectors which are neither strategic nor a priority." "I see nothing revolutionary or progressive in the state's participation in the manufacture of shirts or fizzy drinks at the expense of the necessary efforts in the health, education, and housing sphere: The state must be smaller but stronger."

The cutbacks began under Miguel de la Madrid, the present president of the republic. The most recent and most spectacular operation consisted of declaring bankrupt Aero-Mexico, the national airline which is now looking for a buyer.

Under Mr Salinas' guidance in the Planning Ministry, the private [as published] sector's share of the gross national product has already been reduced from 30 to 20 percent. "We will keep the enterprises in strategic sectors," he said, "like oil, electricity, railroads, and basic oil processing. We will transfer some companies and public agencies to municipal councils. We will quite simply get rid of inefficient enterprises."

Mr Salinas refused to confirm the plan to sell Telmex (Telefonos de Mexico) to the Franco-Belgian company Alcatel and the sale of a few other companies which is apparently possible; but he did not deny it either. The PRI candidate admitted that there is also resistance in the private sector which is complaining about the borders being opened up to foreign products.

Negotiation Not Confrontation [subhead]

The foreign debt—104 billion dollars—is also an obstacle to economic growth. Contrary to the left, which wants to suspend payment of the debt until the creditors are prepared for a real renegotiation, Mr Salinas is preaching "negotiation not confrontation." "If interest payments on the debt (almost 30 percent of the total value of the country's exports) prevents economic growth," he added, "we will stop paying. The Mexicans will not tolerate the payment of interest on the debt jeopardizing the possibility of economic growth which is vital to integrate 1 million young people per year into the labor market."

Mr Salinas hopes that the next U.S. president "will show more flexibility and realism than the existing administration in finding solutions to the debt problem but also in improving bilateral relations in three areas: trade, immigrant workers, and the fight against drug trafficking."

He thinks that the Simpson-Rodino law adopted by the United States last year to regularize the situation of some illegal workers "does not take account of the real situation. The United States needs Mexican workers; we must therefore establish a real dialogue between our two governments to control the flow of immigrants and to avoid abuses on either side."

The situation in Central America is also worrying the PRI candidate, who fears "a massive migration to Mexico by people fleeing war and poverty." He advocates a kind of Marshall Plan, initiated by Latin America, under the terms of which the United States and Canada, would make a concerted effort to enable the Central American countries to develop economically.

Mr Salinas wants to give more importance to foreign policy than his predecessor, but he will give priority to two subjects which he thinks worry Mexicans most: the fight against inflation and the security problem.

On the first point the government has already achieved some success because the inflation rate has been reduced from almost 14 percent a month in January to less than 2 percent in May, but purchasing power has dropped by more than 10 percent in 5 months.

With regard to security, Mr Salinas admitted that "the corruption of some sections of the police" has reached a worrying level: "The population and the police themselves are calling for our security forces to be cleaned up."

Last month the "police war" took a dramatic turn with the murder of a CID officer in the Mexico Federal District by his own colleagues after he had been implicated in the murder of another officer's son. This sordid affair led to the firing of 10 of the most senior officers in the capital's CID force.

On that occasion, the justice minister also promised to add lines to the telephone system set up in November to receive anonymous calls reporting cases of CID misusing their authority. This is a challenge which faces Mexico's future president.

El Salvador

PCN Nominates Presidential Candidate

PA2806171488 San Salvador DIARIO LATINO in Spanish 27 Jun 88 p 3

[Text] At a general meeting held yesterday, the National Conciliation Party (PCN) reelected its Executive Committee and officially nominated Rafael Moran Castaneda as the PCN's presidential candidate.

The general assembly, which was held at the Camino Real Hotel, was attended by 92 delegates from across the country.

The Executive Committee was unanimously reelected to manage the party's affairs for a new 3-year term.

Following compliance with this point on the agenda, the Executive Committee designated positions as follows:

Hugo Carrillo Corleto	secretary general
Luis Angel Lagos	secretary for organization
Arturo Mendez Azahar	recording secretary
Rafael Moran Castaneda	secretary for legal affairs
Alejandro Dagoberto Marroquin	secretary for international relations
Antonio Lemus Simun	secretary for communications and propaganda
Angelica Diaz	secretary for women's affairs
Ernesto Curry	secretary for agricultural affairs
Igor Rubio	secretary for union and cooperative affairs
Ciro Cruz Cepeda	secretary for youth activities
Rutilio Aguilera	secretary for finance

Finally, Rafael Moran Castaneda, who is a native of Ahuachapan, was unanimously and officially nominated as the party's presidential candidate for the March 1989 elections.

Guatemala

Cerezo on Uniform Exchange Rate Implementation

PA2806185688 Guatemala City EL GRAFICO in Spanish 25 Jun 88 p 4

[Text] Guatemala City, 25 Jun—Yesterday President Cerezo said that the 2.70 quetzals to the dollar uniform exchange rate is an emergency measure to recover foreign exchange. He added that the new exchange rate is only 7 percent above the previous one.

Cerezo admitted that the uniform exchange rate could cause an increase in basic product prices, but he believes the increase should not exceed 1 percent. He added, however, that profiteers will undoubtedly take advantage of the situation.

The president said that he is taking measures to avoid foreign exchange speculation and that these measures are part of a coherent strategy.

Cerezo added that the 2.70 quetzals to the dollar uniform exchange rate had to be implemented because the Guatemalan Bank needed foreign exchange to maintain the quetzal's stability. In addition, foreign exchange was depleted, which could have caused increased speculation.

President Cerezo said that he would talk to the finance minister and instruct him to maintain control over basic product prices and to avoid price increases.

He added, however, that special measures could be implemented if price increases occur. One of the measures could be to establish basic product shops to sell goods at cost for low-income sectors.

Finally, Cerezo said it was necessary to adopt this measure in order to obtain more exchange. Otherwise, the government would be forced to subsidize some enterprises, which it cannot do because that would increase inflation.

Nicaragua

H. Ortega Urges Contra Reply to Talks Proposal

PA2906024188 Managua Domestic Service in Spanish 0108 GMT 29 Jun 88

[Letter from Defense Minister General Humberto Ortega, head of the government delegation to the cease-fire talks, to OAS Secretary General Joao Clemente Baena Soares and Cardinal Miguel Obando y Bravo, members of the Sapoa agreements Verification Commission—dated 28 June]

[Text] Your Excellencies:

On 19 and 24 June, I sent official communications to Mr Alfredo Cesar in his capacity as head negotiator of the counterrevolutionary forces. You have copies of those letters. In those letters, I reiterated on behalf of the Nicaraguan Government the need to continue the Sapoa negotiating process. I proposed a new round of top-level negotiations to be held in Managua on 26, 27, 28, and 29 June. If this were not possible, I proposed holding a preparatory meeting to be held in Miami on 28 and 29 June.

In those same letters, I urged Mr Alfredo Cesar to comply with the commitments made before you in your capacity as witnesses to the negotiations. The commitment was to turn over to the Nicaraguan Government 66 citizens whom the [Nicaraguan Resistance] Directorate acknowledged holding. To date, that commitment has not been kept.

It deeply concerns my government that Mr Cesar has not yet replied to the above-mentioned letters. This way, he is delaying the chance of resuming the talks for a

permanent cease-fire. These talks were interrupted on 9 June in Managua. Although we have not received a reply from Mr Cesar to my government's proposals, we have received a message from Mr Roberto Ferrey. This message contains decisions contradicting the Sapoa agreements and negating them. This action is at odds with the agreements we reached at the conclusion of the last round of negotiations in Managua. In those agreements, the existence of the Verification Commission that was created by the Sapoa agreements was recognized.

In view of the above, my government does not accept the message from Mr Roberto Ferrey as the official answer to a proposal made to Mr Alfredo Cesar in his capacity as head negotiator of the contras. I therefore request that you ask Mr Cesar to provide the appropriate answer to the official proposal I made to him regarding the next round of top-level meetings in Managua or the preparatory meeting in Miami. I also ask that he respond on the immediate release of the kidnapped Nicaraguan citizens.

I also wish to convey to you the Nicaraguan Government's concern over remarks by counterrevolutionary military commanders. Those remarks, published on Sunday, 26 June, in THE WASHINGTON POST, indicated that the counterrevolutionary forces have been ordered to resume and intensify the indiscriminate war against the economy and civilians. The orders are to increase the massive incursions, chiefly from Honduras, that the mercenary forces have launched against our country. Moreover, the orders are totally in contrast with the decision to stop offensive military operations that the counterrevolutionary leadership pledged in your presence to abide by.

I take advantage of this opportunity to convey to you my highest consideration and respect.

[Signed] Army General Humberto Ortega Saavedra, Minister of Defense

Managua, 28 June 1988

For a worthy peace, free fatherland or death!!

RN Letter on Requirements for More Talks

PA2806182388 Managua Radio Corporacion in Spanish 0400 GMT 28 Jun 88

[Text] The Nicaraguan Resistance [RN] insists that in any new talks, agreements must be guaranteed by the Central American governments. There will be no more talks in Managua; the RN said that talks must be held in another Central American country. RN leaders gave their official position on the talks with the Sandinists and confirmed that they will not come to Managua. Here is information that resulted from the RN leadership's last meeting:

[Begin speaker recording] This is the letter dated 27 June 1988.

It says— attention listeners of Radio Corporacion in Managua, Nicaragua— Mr Humberto Ortega, Defense Minister, Managua, Nicaragua.

Mr Ortega:

Following instructions from the RN Directorate, we advise you of the following:

1. The RN does not believe that a preparatory meeting to discuss an end to offensive military operations is necessary because its leadership has publicly declared that it will indefinitely maintain the suspension of offensive military operations. It is the Sandinists who established the 30 June 1988 deadline.

2. Another high-level meeting must be held to overcome the Sandinist government's obvious unwillingness to comply with the Esquipulas II agreements and with the Central American presidents' joint declaration. This will require:

1) That the Sandinist delegation be headed by the person who signed those agreements, that is, by Daniel Ortega;

2) That the meeting be held in a Central American country other than Nicaragua;

3) That the agreements reached at this high-level meeting be guaranteed by the other Central American presidents.

After the above is accepted, we will proceed to determine a date for the meeting.

3. It has now been 9 and 5 months, respectively, since the Managua regime signed the Esquipulas II agreements and the joint declaration without having complied with, among other things, the agreements pertaining to amnesty, that is, the release of the thousands of political prisoners held under its power.

4. Finally, we reaffirm that threats even you make and the insults carried over the Sandinist communications media against the RN delegation prevent the holding of the meeting we are proposing in Nicaragua.

[Signed] Roberto Ferrey, Executive Secretary of the RN Directorate [end recording]

Alfredo Cesar Comments

PA2906013788 Managua Radio Corporacion in Spanish 0400 GMT 28 Jun 88

[Interview with Alfredo Cesar, member of the Nicaraguan Resistance Directorate, by unidentified reporter; place and date not given—recorded]

[Text] [Reporter] Daniel Ortega's government proposed a new round of negotiations; the Directorate replied in a letter last Saturday. It is our understanding that there is a new proposal for a meeting in Miami. What can you tell our listeners in Nicaragua, Alfredo Cesar?

[Cesar] Last week the Sandinist regime twice proposed new negotiations between the RN and the Sandinist government. Today the Directorate decided to advise the Sandinist government that we believe another high-level meeting can only be held to overcome the lack of desire to comply that the government has been demonstrating on everything it has signed—the Esquipulas II agreement as well as the declaration of Central American presidents signed in January. Therefore, this would require the Sandinist delegation to be headed by Daniel Ortega, who signed those agreements for the Sandinist government. This way, there can be no excuse on compliance with the agreements.

Second, the meeting must be held outside Nicaragua, in another Central American country, because it has been amply demonstrated that the climate for negotiations in Nicaragua is not propitious because of the systematic repression of the internal opposition; the violation of the agreement by the government to allow us to meet with all sectors of national life, all opposition sectors—it violated this agreement on the last occasion—the climate of threats; and even the obstruction of the movement necessary for the RN delegation. Therefore, the meeting must be held in a Central American country other than Nicaragua.

Finally, since there is no trust that the Sandinist government will comply with the agreements that might be reached with the RN at future meetings, today the Directorate, in this message, insists that any agreement between the RN and the Sandinist government must be guaranteed by the other Central American presidents. We maintain the position that it is senseless to continue negotiations if these lead nowhere, when these only give the Sandinist regime time to present a distorted image to the Nicaraguan people and the world by pretending the peace process is progressing when in fact it is not progressing, because of the government's intransigence and noncompliance with the agreements signed by Daniel Ortega.

The three conditions—the delegation must be headed by Daniel Ortega, who is the one who signed Esquipulas with the other Central American presidents; the meeting must beheld in a country other than Nicaragua; and the agreements must be guaranteed by the other Central American presidents—are firm decisions the Directorate made today publicly and in writing to make the holding of another high-level meeting between the two sides meaningful.

[Reporter] The Nicaraguan Democratic Coordinating Board [CDN] proposed holding a quadripartite meeting between the RN, the private initiative, the government, and the opposition political parties. This will be discussed this week by the National Reconciliation Commission. However, we have learned that the representatives of the 14 Nicaraguan political parties of the CDN are seeking a meeting with President Oscar Arias to analyze the Nicaraguan situation. Is the RN Directorate prepared to participate in such a meeting?

[Cesar] Of course. We have sought meetings with the opposition political parties. At the last session we held in Managua we had planned to meet with the 14 parties participating in the national dialogue. It was frustrated because the Sandinist government prevented it. We will meet with the 14 parties wherever they want, because it is indispensable that the RN coordinate thoughts through a frank exchange of opinions with the sectors of the internal civic opposition regarding the democratization demands we are requesting at the negotiating table.

Undoubtedly, if it is held in Costa Rica in the presence of President Oscar Arias, we will be very pleased to participate. We hope it takes place.

[Reporter] President Ortega initiated an official visit to Cuba this Monday at the invitation of Fidel Castro. According to the Cuban news media, he will be in Cuba for 4 days. He is going to visit the Isle of Youth, where several thousand Nicaraguans are receiving special education. What is your opinion of Ortega's visit to Cuba under the present special circumstances?

[Cesar] It is what we have always said. Every time that the dictator Ortega has to make a difficult decision, he has to consult with the one who really makes the decisions in Nicaragua, Fidel Castro. It is no surprise. It has occurred before. Every time the regime has a difficult problem, it runs to Papa Fidel to ask what the next step should be. This visit is disguised as an official visit, because they cannot hide the obvious fact that they are going to consult with Castro on what the next step should be at this increasingly more difficult crossroads for the Sandinist regime, with the majority of the Nicaraguan people opposed to it. We hope Castro will advise Ortega [words indistinct].

[Reporter] Do you believe that after this visit by Ortega to Havana [words indistinct] more specific results of the Sandinist position regarding the struggle he is facing with the Nicaraguan Resistance and people?

[Cesar] I would expect that Castro's experience [words indistinct]. The other alternative is that he be overthrown by the Nicaraguan people.

[Reporter] What is your opinion [words indistinct] RN [words indistinct]?

[Cesar] That is one of the actions the Resistance has proposed for the process of political evolution to have any chance for success. We have proposed that the Central American presidents retake the initiative, because they signed the Esquipulas II agreements to democratize our countries. However, President Daniel Ortega refuses to comply with those agreements.

We have also proposed that at the same time, the U.S. Government make an extraordinary effort so through a serious diplomatic initiative—together with the Central American democracies—concerted diplomatic pressures can be exerted on the Sandinist regime. That is the purpose of Secretary of State George Shultz' tour of the four Central American democratic countries this week.

The Directorate has also stressed the need for approval of additional aid by the U.S. Congress aid to strengthen the RN's position in the process of seeking political solutions for the Nicaraguan conflict.

We have reiterated that we do not wish to resume the war; however, our units have received clear and specific instructions to fight back in case of military offensive actions. They must defend themselves. We will not be the ones to resume the fighting in Nicaragua, because we are aware it will mean more sacrifice and blood for our people. However, we cannot run away in case of an attack. The EPS has taken advantage of the truce to strengthen its military position.

In conclusion, the RN has proposed a strategy that includes diplomatic and political activities to be carried out by the Central American countries and the U.S. Government. At the same time, we demand more aid to strengthen our position.

Defense Ministry Reports Contra Attacks

PA2806164088 Managua Radio Sandino in Spanish 1200 GMT 28 Jun 88

[Text] Late yesterday the Ministry of Defense reported new terrorist attacks on civilian and economic targets by mercenary forces loyal to former Somozist Colonel Enrique Bermudez. The communique states:

1. On 24 June, four civilians were kidnapped in El Nispero, northeast of Villa Revolucion, Chontales Department.

2. Also on 24 June, two civilians were kidnapped in El Cano Guarumo, southwest of Presillas, Chontales Department.

3. The village of Muhan in Chontales Department was also harassed. Two peasants who belonged to the self-defense organization were injured.

4. The contras carried out another kidnapping on 25 June. They took 15 civilians from the Yalwas village, northwest of Villa Revolucion, Chontales Department.

5. A few hours later, [the contras] intercepted an IRENA [Nicaraguan Natural Resources and Environment Institute] truck and a passenger bus northwest of Puerto Cabezas, in the Atlantic coast autonomous region. They burned the IRENA truck and fired on the bus. All the passengers' belongings were stolen.

EPS on Contra Clashes

PA2806195488 Managua Radio Sandino in Spanish 1200 GMT 28 Jun 88

[Report by Marta Picado]

[Text] According to an official report from EPS military region No 5's public relations office, 738 peasants have been kidnapped in Region No 5 during the last 3 months by counterrevolutionary groups that follow the warmongering ways of former Somozist Colonel Enrique Bermudez.

The report says 17 counterrevolutionaries were killed, 1 peasant injured, and 1 killed as a result of 22 clashes between EPS troops and counterrevolutionary groups between 20 and 25 June.

The report says that on 23 June 1988, a group of counterrevolutionaries stopped a civilian station wagon in the village of Yalwas, 18 km northeast of Camoapa, murdering peasant Erasmo Miranda, a [words indistinct] worker at San Lorenzo, and injuring Augusto Medina of the Association of Agricultural Workers, ATC. They then kidnapped two peasants named Miguel Oporta and Francisco Ojeda Gomez.

On 24 June, a group of contras kidnapped two EPS discharged youths in the El Guarumo area, 13 km to the northeast of Muelle de los Bueyes. Their names are Pedro Garcia and Rafael Garcia.

That same day, another mercenary group attacked the villages of El Serrano, 14 km southeast of Nueva Guinea, and Muhan, 24 km northeast of Santo Tomas, leaving two peasants slightly injured.

Panama

CRITICA: U.S. Diplomats To Be Evacuated

PA2806155488 Panama City CRITICA in Spanish 28 Jun 88 p 1

[Text] Last night CRITICA was informed that during the first 10 days of July, U.S. Embassy diplomats and their dependents will start leaving Panama.

CRITICA has learned that their departure from Panama will take place by means of an evacuation exercise to be coordinated by the U.S. Armed Forces, especially by the "Marines" who were brought to this country to invade us.

It is also known that [U.S. Ambassador] Arthur Davis and his daughter Crista [as published] are already in Washington.

Delvalle To Meet With Shultz in Costa Rica

PA2806162988 Panama City CRITICA in Spanish 28 Jun 88 pp 1, 15

[Text] Eric Arturo Delvalle will finally leave his hiding place inside Howard Air Force Base, where he has been a virtual prisoner of the gringos, to go to Costa Rica to meet with Secretary of State George Shultz. Shultz will begin a Central American tour tomorrow, Wednesday.

"Tuturo" Delvalle, who is responsible for our people's economic crisis, along with [Democratic Independent Movement President] Gabriel Lewis Galindo and [Panamanian Ambassador to the United States] Juan (Big Mouth) [Bemba] Sosa, will go to Costa Rica to give Shultz the details on his betrayal of the homeland and to ask for new instructions from his northern masters in order to continue looking ridiculous in the eyes of all civilized nations.

Delvalle, Juan (Big Mouth) Sosa, Gabriel Lewis Galindo, Alberto Garcia de Paredes (Pissed on Camel) [Camello Meao], and other traitors have been criminally imploring the Marines to invade our country and to massacre the Panamanian people.

Ritter Reports U.S. Canal Treaty Violations

PA2806194088 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Jun 88 p 1

[Text] According to a NOTIMEX report, Foreign Minister Jorge Ritter has said in Mexico that the Torrijos-Carter treaties are a cause that has united Latin America, and it is clear that this unity is now in danger because of recent U.S. treaty violations.

Ritter, who is in Mexico attending a meeting of the Contadora and Support Groups, stated on his arrival at the airport that the United States is arbitrarily implementing an economic blockade against his country.

The Panamanian foreign minister also reported that the United States is illegally increasing the number of troops in the Panama Canal area and that U.S. troop strength there is now beyond the limit established by the Torrijos-Carter treaties. He noted that approximately 250 U.S. Marines arrived in Panama a few hours ago, thus bringing the total of new arrivals to more than 3,000.

Ritter said it is clear the United States will make every effort so it will not have to withdraw its troops from Panama. Ritter said the United States is sounding out what the reaction of his country, the region, and Latin America will be, and if it establishes that it can violate the treaties with impunity now, it will act with the same impunity in the year 2000.

Ritter said he trusts Latin America will not turn its back on Panama.

The Panamanian minister said that when [Eric] Delvalle was removed from office on 25 February, there was political confusion within the Group of Eight and the other seven ministers decided that Panama could not participate in the group until the situation returns to normal.

He said the decision to reincorporate or not to reincorporate Panama into the group is to be made by the seven countries, but Panama is nevertheless always willing to cooperate not only within the Group of Eight but also in all forums working for integration.

Finally, Ritter said that during the meeting of the Group of Eight, he will tell the participating foreign ministers about the situation in Panama.

U.S. 4th of July 'Psychological War' Plans

PA2906042788 Panama City Televisora Nacional in Spanish 0000 GMT 29 Jun 88

["Alert to Citizens" feature by Julio Ortega]

[Text] The Reagan administration has planned a new attack in its psychological war against Panama. This attack will be carried out this week, coinciding with the 4th of July celebrations. It could lead to incidents involving Panamanians being provoked to justify the U.S. Government's plans to invade our country.

The plan began with the arrival of additional soldiers in groups of 50. A total of 250 new troops are scheduled to arrive in Panama. At the same time, soldiers who have completed their tours will be leaving Panama during this time to give the impression that nonessential civilian and military personnel are being sent home. This also

coincides with school vacations. Military personnel who live in Panama City are being transferred to the homes vacated by soldiers who are leaving Panama.

Everything is perfectly planned to make Panamanians believe that an armed invasion against our people is imminent, to provoke reactions in Panama, or at least to frighten us.

Simultaneously, new military exercises will begin along the canal. These exercises will use combat gear, tanks, armored vehicles, and trucks, as well as planes and helicopters that will overfly the country, violating Panamanian airspace in an open act of provocation.

At the same time, the U.S. Armed Forces radio and television stations will announce the PML—Personnel Movement Limitation—codes Alpha, Bravo, Charlie, and Delta to create a state of despair and, if possible, panic among the civilian population. Everything has been well-orchestrated to create fear among our people.

At the same time, military parades have been organized in Fort Clayton and in the Atlantic sector. For the first time, these parades will be broadcast direct via satellite to the United States. All civilians who wish to attend have been invited to make the U.S. people believe that we Panamanians are happy with the Reagan administration's infamous aggression. The plans also include people waving white handkerchiefs in front of television cameras.

Everything has been planned to convey a favorable image to the United States and to justify their criminal aggression to Panama and the rest of the world. Only Panamanian traitors will go to those parades, however.

Panamanians: You must remain alert to the psychological war. We must be prepared to face these actions, which hide new evil U.S. intentions. We must not be surprised by their psychological actions, because we have won the struggle with our resistance, which has uncovered the Reagan administration's intention to not comply with the Panama Canal treaties.

Argentina

Caputo on Group of 8 Meeting, Toronto Summit

PY2906000788 Buenos Aires TELAM in Spanish 1916 GMT 28 Jun 88

[Text] Buenos Aires, 28 Jun (TELAM)—Today Foreign Minister Dante Caputo said that for the first time ever, the Group of Seven industrialized countries which gathered in Toronto, Canada, acknowledged the political link between the foreign debt and the stability of the developing countries, a fact that was denied in the past.

Caputo talked to journalists upon his arrival at Ezeiza International Airport after a visit to Venezuela and Mexico.

During his 3-day stay in Caracas, Caputo and German Nava Carrillo, his Venezuelan counterpart, strengthened their two countries bilateral relations and signed an agreement for the join fight against drug trafficking.

Caputo said the Group of Eight meeting in Mexico discussed the follow up of the presidential initiatives agreed upon in their last meeting in Acapulco. He added that the foreign ministers also discussed new proposals and, above all, spent time preparing for the next October summit meeting.

Asked about the results of the Group of Seven meeting in Toronto, Caputo said that our group analyzed the documents detailing the results of that meeting. It is insufficient and important at the same time, he stressed, because for the first time ever, the industrialized countries recognized the political link between the foreign debt and the stability of developing countries.

Caputo said there is a change in attitude because the industrialized countries now recognize that political stability and the debt are interrelated. This is a giant political step forward, he added, although insufficient because nothing specific was proposed to advance toward a solution to our Latin American problems.

When told that a Buenos Aires newspaper mentioned him as head [as received] of the United Nations, Caputo said that the issue is being discussed in other spheres, adding that they are working on it from the Argentine mission at the United Nations and that he hoped they will succeed because the moment is important.

Asked about the possible debate with journalist Mariano Grondona, Caputo said he believed that Argentina is going through a period of transition, a moment to be moderate, a time to discuss the kind of country we want and the state of our foreign relations and that of the economy.

Central Bank Grants Cuba $10 Million Credit

PY2906032788 Buenos Aires TELAM in Spanish 0142 GMT 29 Jun 88

[Text] Buenos Aires, 28 Jun (TELAM)—Today the Central Bank reported to financial organizations that the Argentine Government has granted Cuba a $10.7-million credit line to finance the sale of Argentine goods and services.

The information was contained in Central Bank Communique No B-3338, which states that the agreement was signed on 27 April 1988 and that the credit will be available until 31 March 1989. During this period, a 6.5-percent interest rate will be charged yearly on the pending debt.

Spare parts purchases can be paid in up to 5 semiannual payments, and vessels can be paid in up to 21 semiannual payments, respectively. Capital goods, durable and semi-durable goods, technical services, industrial plants, and citrus-processing plants, however, will have other payment terms.

Bolivia

Reaction to UMOPAR-Peasant Clash in Tunari

Armed Forces Mobilized

PY2806134588 La Paz La Red Panamericana in Spanish 1130 GMT 28 Jun 88

[Text] The Armed Forces have been mobilized in Cochabamba Department to safeguard some zones that are vital for the population. Jorge Alderete Rosales, Interior Ministry under secretary for social affairs, has been the main government official reporting on the incidents that occurred in the village of Tunari yesterday. Alderete Rosales said that the reports he released were supported by the information received from the site of the incidents, adding that his reports provided accurate information on what happened.

Alderete Rosales said that the Armed Forces guarded two dams in Corani and Santa Isabel to prevent actions that may harm the population. He added that the Armed Forces controlled the Paracti area, which is the main access to Chapare.

Alderete Rosales said that the Army did not participate in the clashes with the coca growers, adding that the government has the right to preserve the tranquillity and stability of the state. He added that the policemen who fight drug traffickers have removed some highway blockades in Cochabamba.

Interior Minister Comments

PY2806132588 La Paz La Red Panamericana in Spanish 1130 GMT 28 Jun 88

[Text] Interior Minister Juan Carlos Duran said that the Tunari village incidents had clearly political objectives and they sought to harm the government. The minister deplored that the coca growers made the extreme decision to attack the barracks of the specialized antidrug forces, adding that he could see no link between the peasants' demands and the attack on the barracks. He said the objective of the UMOPAR forces is to repress drug traffickers, stressing that there are some hidden objectives in the actions by the peasants and that such objectives may seek to promote destabilization.

Details on Clash

PY2806153388 La Paz La Red Panamericana in Spanish 1130 GMT 28 Jun 88

[Text] Four people died, five were wounded, and two were arrested in a clash yesterday in Tunari, a village in Cochabamba Department, between coca farmers and UMOPAR personnel.

Jorge Alderete Rosales, social defense under secretary of the Bolivian Interior Ministry, reported that one of the people was shot to death while the other three drowned trying to escape from the site of the clash.

Alderete explained that the coca farmers arrived at the UMOPAR headquarters in the early morning of 27 June and occupied the facility. The UMOPAR personnel had to await the arrival of 50 policemen sent from Cochabamba to launch an operation that finally managed to dislodge the peasants.

The Interior Ministry under secretary admitted that there were clashes and blamed the peasants for creating the situation. He added that the coca farmers were wielding weapons and this led to unfortunate results.

Alderete added that Crispin Zabala and German Gomez were carrying sticks of dynamite and weapons, so the police were forced to arrest them and take them into custody. He went on to say that the government has some concrete evidence that in the Chapare region this kind of activity is being promoted by the drug traffickers for their ulterior motives.

Resolution on DEA Expulsion

PY2806184988 Madrid EFE in Spanish 1715 GMT 28 Jun 88

[Text] La Paz, 28 Jun (EFE)—Today opposition deputies introduced into Congress a joint resolution through which they demand the expulsion of the Drug Enforcement Agency (DEA) from Bolivia. They also hold the government responsible for the deaths of five peasants in Villa Tunari, 588 km southeast of Lima [as received].

Five peasants were killed and several injured in a clash yesterday in Villa Tunari, Cochabamba, between the Mobile Units for Rural Areas (UMOPAR), DEA agents, and coca producers.

The coca producers were asking UMOPAR authorities to expel DEA agents from the country when the clash occurred, according to reports issued by labor sectors. The coca producers have charged DEA agents with harassing them.

Opposition deputies, representing eight political parties, repudiated the clash and rejected "the way in which the government has allowed armed mercenaries to perpetrate tragic incidents."

They add: "The presence of DEA agents in Bolivia is irregular. It violates the Constitution and it undermines the nation's sovereignty."

Similar requests have been made by the Bolivian Labor Confederation (COB) and other national organizations, which condemned the clash in Villa Tunari.

Today Campesino Affairs Minister Jose Guillermo Justiniano said the government must expel the DEA if it is proven that they were involved in the Villa Tunari incidents.

According to government reports, the clash that occurred yesterday in the Chapare area was promoted by narcotics traffickers.

Social Defense Under Secretary Jorge Alderete has said: "Drug traffickers are determined to create problems. We are certain they are involved in the Villa Tunari incidents."

Brazil

Sarney, Entourage To Leave for PRC on 30 June

PY2806132388 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 28 Jun 88

[Text] President Jose Sarney will leave for the PRC Thursday night. He will remain there until 8 July.

President Sarney will be accompanied by Foreign Minister Roberto de Abreu Sodre, Aeronautics Minister Octavio Moreira Lima, Military Household Chief General Rubens Bayma Denys, Irrigation Minister Vicente Fialho, Agrarian Reform Minister Jader Barbalho, Science and Technology Minister Luiz Henrique da Silveira, and six congressmen.

Sarney's entourage will also include Ambassador Aloisio Napoleao de Freitas, TCU [National Accounting Office] Minister [title as heard] Marcos Vilaca, businessman Giulite Coutinho, physician Giovanni Vilotti, and reporter Carlos Castelo Branco.

Sarney Meets PRC Group

PY2906021388 Brasilia Domestic Service in Portuguese 2200 GMT 28 Jun 88

[Excerpt] This morning President Jose Sarney received a PRC Communist Party delegation and decided to begin his upcoming trip 7 hours before scheduled.

According to a Planalto Palace report, the departure is scheduled for 1430 on 30 June. The plane will leave from Brasilia Air Base, where President Sarney will install Deputy Ulysses Guimaraes as acting president.

Although the departure will be earlier than previously expected, Sarney will arrive in Beijing on 2 July, as previously scheduled.

The presidential plane will stop over in Manaus; Los Angeles, where President Sarney will spend the night; Anchorage, Alaska; and Shanghai, in the PRC, before landing in Beijing.

This morning President Sarney spent several hours discussing his upcoming visit to the PRC with a PRC Communist Party delegation that visited him at the Alvorada Palace, his official residence. Sao Paulo PMDB Deputy Fernando Gasparian accompanied the delegation during the visit.

According to the Planalto Palace Press Secretariat, President Sarney and the delegation discussed the signing of agreements, including the agreement for the construction of a communications and tracking satellite.

Before leaving the palace, President Sarney and the delegation posed for a photograph that will be published by the Beijing paper REMNIN RIBAO. [passage omitted]

Constituent Assembly Passes Antidrug Amendment

PY2906022088 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 28 Jun 88

[Text] Today the Constituent Assembly approved an amendment proposed by Deputy Valmir Campelo, who is a member of the Brasilia branch of the PFL. The amendment empowers the government to expropriate any portion of land used for raising psychotropic plants such as marijuana and epadu. In accordance with the amendment, any such expropriated land will be earmarked for farmers to grow produce.

The Constituent Assembly also approved the confiscation of any item obtained through the drug trade. These items will be donated to institutions charged with treating drug addicts.

Cartel Lawyer Predicts Growth in Drug Trade

PY2706141988 Rio de Janeiro O GLOBO in Portuguese 26 Jun 88 p 29

[Text] Diego Cordoba, 32, a lawyer for the powerful Medellin Cartel, has stated that "within the next 3 years Brazil will replace Colombia as the largest exporter of drugs." He might be wrong, but conditions exist that could make him right.

Colombia and Brazil are not among the largest growers of coca, a plant that is easily cultivated in the Andes and which the Incas and their descendents in Peru and Bolivia have chewed for hundreds of years. Instead, they have the raw materials to transform the coca leaf into cocaine.

Brazil has inaccessible jungles, clandestine airstrips belonging to drug traffickers, acetone to process the coca leaf, and a lot of poverty and corruption. These are the basic ingredients needed for the cocaine business, Cordoba said.

According to the lawyer, who has worked for the cartel ever since he left law school and is paid 20 times more than his colleagues, today in Latin America there are 50 drug trafficking cartels and they are all connected. The Medellin Cartel, headed by Pablo Escobar, is the largest and best known.

According to Cordoba, the policy established by the United States to fight drug trafficking is absolutely mistaken. The U.S. Administration is worried about the amount of currency being channeled into the illegal drug trade. But in countries where hunger is a killer, peasants cannot be convinced to replace their coca production with less profitable products. And military repression does not solve anything, Cordoba said.

According to Cordoba, drug traffickers should be treated as "a sector of society" and not as criminals. In Colombia, the different cartels have already purchased shares in banks, have established real estate companies, and are investing in agriculture. But both Cordoba and Romeu Tuma, Brazilian Federal Police chief, have confirmed that the Medellin Cartel is not moving into Brazil.

Brazilians have their own traffickers, and trafficking will increase. After all, what is more immoral: to sell drugs or to die of hunger? Cordoba asks.

Industry Minister Hospitalized With Cancer

PY2906004588 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 28 Jun 88

[Text] Today Industry and Commerce Minister Jose Hugo Castelo Branco was hospitalized at the Armed Forces Hospital in Brasilia.

In an official note released this evening, the hospital reported that Minister Castelo Branco is doing well and that he was hospitalized for a reevaluation of his clinical condition. The minister has cancer. He cannot receive visitors.

Chile

Charges Filed Against 3 Magazines, Paper

PY2906005088 Madrid EFE in Spanish 0409 GMT 28 Jun 88

[Text] Santiago, 27 Jun (EFE)—Today the Chilean Government filed charges against the opposition magazines APSI, CAUCE, and ANALISIS and the opposition daily FORTIN MAPOCHO for publishing a PCCh communique calling on people to vote no in the upcoming plebiscite.

Lawyer Alberto Rios, Interior Ministry legal representative, said in the writ submitted to the court that the publications violated the law which punishes people who "eulogize the violence and propaganda of illegal groups."

The PCCh was declared illegal 2 years ago by the constitutional court which accepted a request in this regard by the government of President Augusto Pinochet.

With the charges filed against them, the publications are facing sentences ranging from fines from $4,000 to $17,000 to the suspension of the publications.

On 20 June the PCCh released a 2-page statement calling on Chileans to vote no in the plebiscite to be held later this year.

In the plebiscite, Chileans will have to either accept or reject the single presidential candidate proposed by the commanders of the Army (General Pinochet himself), Navy, Air Force, and the director of the Carabineros.

The charges filed today are in addition to other charges already facing the directors of the magazines APSI, CAUCE, HOY, and ANALISIS, and of the dailies FORTIN MAPOCHO and LA EPOCA. There are now 27 reporters being tried mostly by military prosecutors.

ANALISIS Director Juan Pablo Cardenas has already served more than half of the 55-night arrest sentence imposed on him for having criticized the work of President Augusto Pinochet.

Terrorist Involved in School Attack Arrested

PY2806115988 Santiago Domestic Service in Spanish 2300 GMT 27 Jun 88

[Excerpt] A second leading terrorist who participated in the bloody attack on the Japanese School in this capital has been arrested. Three people died during that attack.

The terrorist was identified as Luis Hernan Bravo Ordonez, 31, also known as El Nano or El Rucio, who resided in La Victoria shantytown.

The investigative police reported that Bravo Ordonez confessed to his direct involvement in armed robbery and attacks on railroad tracks and power towers.

Bravo Ordonez' arrest was announced by officer Ramon Silva, who noted that the investigative police are closer to solving many incidents following the arrest of Patricio Quirino Gutierrez, Bravo Ordonez, and others, who have all been placed at the disposal of a military prosecutor.

Officer Silva said Bravo Ordonez has managed to rise fast within the Manuel Rodriguez Patriotic Front. [passage omitted]

Ecuador

Judge Orders Arrest of Former Candidate Bucaram

PA2906024788 Paris AFP in Spanish 0224 GMT 29 Jun 88

[Text] Guayaquil, 28 Jun (AFP)—Guayaquil Superior Court President Luis Herreria today issued an order for the preventive arrest of populist Abdala Bucaram, a candidate in the recent presidential runoff elections, for alleged irregularities during his term as mayor of Guayaquil.

Bucaram, a leader of the Ecuadoran Roldosist Party, lost by 252,000 votes to Social Democrat Rodrigo Borja of the Democratic Left Party in the 8 May

Paraguay

Police Release Arrested Opposition Leaders

PY2806203388 Asuncion EL DIARIO in Spanish 28 Jun 88 p 12

[All names as published]

[Text] Julio Cesar Franco, Luis Federico Garcia, Franklin Boccia, and Severiano Gonzalez, leaders of the Authentic Radical Liberal Party (PLRA), who were arrested on 26 June during a PLRA meeting in Fernando de la Mora, were released yesterday at 1100. It was reported that the PLRA leaders were held at police headquarters for 24 hours.

Upon being released, the PLRA leaders immediately attended an important meeting sponsored by the "Popular Movement for Change" faction to analyze important issues related to this group's political campaign, in view of the convention scheduled for 10 July.

Yesterday sources of the movement led by Dr Miguel Abdon Saguier expressed their satisfaction regarding results this group obtained at the meeting held by PLRA committees from several areas of the country.

Reports say that the "Popular Movement for Change" probably received the support of 40 percent of the PLRA convention delegates. Last night, the movement's leadership discussed the possibility of fielding three-man ticket at the convention, thus ruling out a possible political agreement with "Laino's" sector called Change for Freedom. The pact will thus be disregarded, the spokesman said.

Peru

Prime Minister Outlines Program to Congress

PY2806172388 Lima Television Peruana in Spanish 2235 GMT 27 Jun 88

[Speech by Prime Minister Armando Villanueva del Campo before a joint session of Congress in Lima—live]

[Excerpts] Mr President of Congress, Messrs senators and deputies, who represent the Peruvian people: I am reporting to this assembly of the main branch of government and to all the members of the Council of Ministers. I will outline and submit for debate the general program of government for the period that began on 16 May 1988, thus complying with Article 224 of the Constitution.

The Council of Ministers over which I preside is the third one to be installed since 28 July 1985. My predecessors in this post were you, Mr President, and Senator Guillermo Larco Cox. The three cabinets have enforced a single, firm, and clear political course for which the Peruvian people voted on 14 April 1985, when Alan Garcia Perez was elected president by one of the highest percentages in the history of the republican system of government.

The national majority elected APRA candidates and a government in which APRA holds a majority. This government, however, is for all Peruvians and by all Peruvians, as the president promised during his election campaign. The people voted for a program that seeks to fulfill specific historical objectives. Messrs representatives, today the government of President Garcia has the same inspiration that it had when it came to power. Consequently, any changes in the cabinet or any replacement of presidential advisers does not and cannot imply changes in objectives.

We are therefore a team that continues to implement the policies and principles that voters chose in April 1985. [passage omitted]

To suppress rumors and bias, I want to say now, repeating the words of Victor Raul Haya de la Torre, that the technological and economic contribution of foreign capital is necessary in order to achieve the full development of underdeveloped countries. Foreign capital now represents a large share in many enterprises of the Soviet Union and the revolutionary PRC. And those who admire the processes in those countries, those who share our attitude toward imperialism but differ with us in other respects, must not forget that foreign capital is participating in the exploitation of mines in the Soviet Union and mining and industry in the revolutionary PRC. We can hardly seek self-sufficiency and Robinson Crusoe-like isolation in the belief that we alone, isolated in the world, can develop our resources. Let us pursue our development in the way Haya de la Torre proposed and in the way Alan Garcia's government intends to do; that is, by defending our interests and our sovereignty, yet understanding that we need foreign capital investment just as much as foreign capital needs to invest. [applause]

Mr President and Messrs representatives, the constant participation of this government in the integrationist struggle cannot be denied. The continent's integration is indispensable to anti-imperialist revolutionary action. The government acts in solidarity with the world's oppressed peoples, classes, and races. This is why we condenm the apartheid policy and why we express and confirm our solidarity with the Sandinist revolution in Nicaragua and the revolutionary processes that stand up to imperialism to secure their own destiny. [applause]

We must also understand that there is no other way to affirm these principles and to advance down this path than to recognize the rights of the Peruvian people and the proposals for decentralization and, consequently, regionalization. Congress is now debating the basis of this regionalization, which is indeed the best expression of the current stage of the Peruvian revolution.

The government's position from the standpoint of APRA doctrine and proposals is very clear. I also want to lay down some premises at this time when rumors, speculation, and even gossip are rampant. We will not return to liberalism; I repeat, we will not return to liberalism during the APRA government. [applause] Neither will we approve massive nationalization in the style of an outdated idea of Marxism. We are not old-style Marxists. True, we had a Marxist origin, which we respect and do not reject, but we are not attached to 1848, but rather to the dictates of the Peruvian people in 1988. [applause]

To those who are wondering what will happen to the banks, I say that the law is in force. Two actions have been filed in the courts against this law: one by those who demand modifications and want to reassert their rights with a writ of amparo; and another, by those who question the process of expropriation. These actions are a matter for the courts, and the executive branch will abide by the courts' decisions, upholding the principles of law. [passage omitted]

Economic problems: The cabinet, with the constant cooperation of the president of the Republic, has extensively discussed the economic problems. In this regard, we have noted a significant GDP growth in 1986 and 1987, the recovery of purchasing power, better income distribution, and a substantial increase in employment—on the order of 400,000 new jobs.

During this period these accomplishments established a basis to maintain growth. A serious economic adjustment program must now be drawn up so that prospects for growth will keep up with inflation in 1988.

A very acute crisis, which would especially affect the poorest Peruvians, would be promoted if the imbalances are not corrected. It is unthinkable to increase imbalances that promote shortages, contraband, corruption, a decline in investments, lack of confidence, a deterioration of the productive system, an increase in underground financial activities, and other distortions that appear when the economy is in disarray and it departs from its basic governing principles.

Moreover, to opt for a drastic correction of the disarray by implementing a drastic policy would involve unacceptable social costs.

The government is aware of the problems, but it cannot accept drastic solutions.

Therefore, we are introducing a program that will gradually correct the serious problems in the Peruvian economy.

I would like to emphasize the concept of gradual correction.

A drastic [economic] package [paquetazo] has been often mentioned. You thought that such a package was coming when a few minutes ago you saw the economy minister entering the room with a briefcase. There is no such drastic economic package, Messrs representatives, but indeed it is necessary to make gradual corrections. It is necessary.

I repeat, there is neither a drastic economic package nor a drastic briefcase [maletazo]. [laughs]

Messrs representatives and Mr President, the main objectives would be to reduce the fiscal deficit; to reverse the deterioration of the purchasing power of the workers, including those who earn the minimum legal wage, public servants, and those who are not included in the collective bargaining system; to gradually reduce the losses in the foreign exchange differential; to correct the relative price situation gradually; and to combat with the most rational and organized methods the shortages, the contraband, the illegal economy, the decline in savings and investments, and other serious distortions.

The economic program will be implemented within 18 months. Its first stage, which should be implemented in the second half of 1988, includes a gradual but firm economic adjustment to reduce the current inflation rate by 1989.

Let us review the basic measures of the initial program we are introducing. This program, of course, is subject to adjustments and problable improvements following a congressional decision.

The basic objective is to maintain the people's purchasing power. The increased inflation rates prompted by the adjustments will be compensated for by the wage increases that will be granted to a greater extent to low-income people.

The salaries of public servants will be increased. We believe that half of the salary petitions we have received are based on average salaries in the public sector. It is likely that this ratio will be reflected in adjustments in the current level of salaries.

Concerning the private sector, I cannot give you a figure now, but in the next few days studies being conducted with the trade unions and the business sector on a nationwide agreement will be completed. This agreement must reflect the justice of the workers' cause.

Concerning the financial system, a few days ago the government increased active annual interest rates to 120 percent and passive annual interest rates to 130 percent, thus increasing the profits earned by the owners of saving accounts, who place their funds in the formal financial system.

This measure has had favorable results. Over the past few days—this is very important—the level of savings has grown and the number of bank accounts has increased significantly.

The increase in interest rates, however, should be supplemented by another measure. The government has decided to promote the issuance and trading of short-term securities, which will facilitate the fulfillment of several major objectives. The owners of small- and medium-size savings accounts will be able to utilize new instruments of attractive profitability. In turn, the formal banking system will be strengthened through its participation in the short-term securities market, thus neutralizing the parallel financial sources.

Exchange rates, which were recently simplified, will be readjusted to attain economic balance and reduce the exchange deficit. Exchange rate gaps will gradually be reduced, because no developing economy can afford sustained financial losses.

According to information we received during consultations with the Central Bank, that institution will issue regulations that will introduce gradual modifications into the exchange system and simplify the exchange rates for imports.

The 33-inti-per-dollar rate will retain its specific social objective. The government expects that the Central Bank, which is an autonomous agency that has obvious links to the social situation and to government policy—links that do not impair its autonomy—will agree that this 33-inti-per-dollar social rate should be retained. This exchange rate is being used to purchase food and essential staples for the people's consumption, to provide food to the Peruvian people, and to preserve their health. This is why it must be retained. [applause]

Likewise, we should gradually approach a single exchange rate. One cannot maintain a system in which different exchange rates apply to different sectors. Along

with the 33-inti-per-dollar rate, there will be a 105-inti-per-dollar rate for importing goods that are not essential or that are not important from a social viewpoint or for providing for the people's maintenance and health.

This modification has been introduced on the basis of careful consideration of its implications; it will meet the urgent need to continue to gradually adjust the exchange system by gradually eliminating the exchange gaps. Obviously, neither students nor those who travel abroad on missions involving study or culture will be affected. Quite the contrary is true. A study is under way to ensure that messengers of Peruvian art, culture, and knowledge have access to the appropriate exchange rate—when they travel abroad not as rich tourists but as Peruvian representatives—because they are also the preservers of Peruvian values and dignity.

The exchange rate that applies to exports will be adjusted each month based on the relationship between prices on the internal and on the external markets. The exchange policy has been designed with the objective of promoting the expansion of the export sector.

In the fiscal sector, there is a pressing need to reformulate the policy of expenditures, seeking rigorous control and austerity in current expenses. It is equally important, gentlemen, to significantly increase national budget revenues. For this it will be necessary to increase the tax burden by approximately 2 percent of the GDP in order to proportionately reduce the fiscal deficit.

We must also outline a clear-cut policy for state-owned corporations in order to make them manage their resources more efficiently. We must acknowledge that there are many state-owned corporations that sustain heavy losses and make no contribution whatsoever to the development of the nation.

An orderly transfer of some of those enterprises to workers cooperatives or private owners, preferably corporations [accionariado difundido], would be highly appropriate. Very soon the Ministries of Economy and Industries and the appropriate agencies of the presidential office and those that have to do with state corporations will make public a list of enterprises that we believe should be transferred in the above-mentioned manner.

The need to streamline public finances requires a set of changes in prices, taxes, and custom tariffs that are handled by various government agencies. The prices of fuels will be increased, and the reason for this must be made clear: If we do not increase the prices of fuels, not only will Petroperu [State Petroleum Agency] go bankrupt but the entire country will be left in a very shaky economic situation.

We are not going to pay heed to the demagogues who want Peru to fail in the name of misguided nationalism. We will instead listen to the voice of the people, who are not afraid of a price increase because they know that the country will recover. [applause]

The prices of fuels will increase by an average of 58 percent. The prices of fuels for popular consumption, however, and the ones used by urban public transportation will increase proportionally less. In any case, these price increases will be compensated by wage hikes that the lesser income sectors will receive.

We hope that after this message to Congress and through the dialogue, which we hope will continue, all sectors will approve other adjustments that will add to the emergency measures I have just announced.

Other important measures will deal with the increase of the general sales tax and the tax on selected consumer goods, in keeping with the law that must be drafted by the Economic Affairs Committees of both the Chamber of Deputies and the Senate. The prices of basic popular foodstuffs and the medicines necessary to preserve the health of all Peruvians will be strictly controlled to prevent unwarranted price hikes.

Current restrictions on foreign financing and the shortage of domestic savings jeopardize development and indicate the need for a new course of action regarding the international financial community. This course of action calls for a kind of normalization of relations between our country and the financial community without sacrificing the basic principles of our policy. A rapprochement with the international financial community would also make it possible to obtain additional funds from friendly countries and from multilateral development organizations.

Our position regarding the IMF and the conditions it tried to impose on our economy will not change. We favor a broad dialogue with all international organizations. We want the world to understand that Peru honestly recognizes its foreign debt and admits that it must be paid. We insist, however, that a people should not have to die to pay a debt, because the dead cannot pay their debts. This was the attitude we adopted regarding the IMF demands. If the IMF insists on these demands, despite the new proposals made in Toronto and in European capitals by the developed countries concerned about this situation, Peru will not give in to the policies that may affect its national interests. [passage omitted]

The Andean Reserve Fund can support our balance of payments with $280 million. We will provide timely financial reports to this fund, as well as to the IDB and the World Bank. We will also maintain a dialogue with them.

An economic program designed by Peru—totally independent of outside forces—will be proposed. At the same time, the situation of those creditors that can cooperate with our development may also be considered. The foreign debt crisis

has caused a restriction in payment, which in 1985 was reduced to 10 percent of Peru's export income. The Peruvian proposal is based on the above criteria.

We trust that it will be possible to hold talks with creditors, multilateral agencies, and governments about the implementation of the program that we will propose. We are confident that congressional debates will produce suggestions that will improve the economic formula the government is now proposing. [passage omitted]

The Shining Path has revealed itself as a terrorist and genocidal movement, and we have to recongnize that this movement is alien to ideology and revolutionary thinking. A movement that endorses violence and goes around killing humble peasants is not, by any standard, a revolutionary or propeasant movement. Those who try to destroy leaders of peasant communities by assassinating them transform themselves into a reactionary force at the service of the counterrevolution and, potentially, at the service of fascism. Since 1986 and so far this year, the Shining Path has killed 245 peasants and community leaders in various departments. Those wanton murders reflect the moral and ethical decay of those who pose as redeemers of the peasant masses, but feel no qualms about killing peasants. Journalists have also been victims of terrorism as in the killing in Uchuraccay, fresh in our memory. [passage omitted]

We should not deceive ourselves by compromising our reaction to terrorism. Messr congressmen, we should keep in mind what genocidal terrorism, compounded with actions by the Tupac Amaru revolutionary group, has done to Peru. I therefore want to refer to this problem that has prompted the executive branch to take noteworthy steps.

If we were to assess material losses—not human losses that cannot be quantified—caused by the Shining Path since 1980, we can say that such losses have cost the country $5.741 billion in terms of indemnification, insurance, transportation, energy, mining operations, railroad infrastructure, explosives, arms, ammunitions, tourism, and hours lost from work. From May to July 1985 [dates as heard], more than 3,000 people have been killed by the Shining Path, not counting another 3,000 militants of that movement. [passage omitted]

Now, not precisely in defense of national security but of popular security, we must reach an agreement among all the democratic sectors of society to find a common ground to confront this sad reality. We reiterate this call, although we must remind you that efforts we undertook a few month ago were directed at finding a common basis from which to confront terrorism. This invitation to forge a common front went unheeded by some sectors, perhaps because it was made by the party in government. So, if that was the reason, Mr President, I invite the opposition to assume the task of organizing a common front. When the sacred interests of the nation are at stake, it does not matter who takes the initiative. What matters is the way such an effort is carried forward for the sake of the well-being and security of the Peruvian people. [applause] The struggle, gentlemen, must be waged on all fronts: political, economic, psycho-social, and military. The field of combat must encompass all areas, whether material or spiritual, where democracy, human rights, and human values are attacked. [passage omitted]

We have already agreed on the need to unify and integrate the areas of intelligence, procedure, and operational methods in the fight against terrorism.

I can report that a single command has been established at a national level and that the intelligence now being processed and used in a scattered manner by the antisubversive groups will be centralized. All national intelligence services will be integrated. In this regard, major progress has been made.

As for the system of operations, there will be a single command, and there will be centralized direction and coordination of the administration organs working for the national defense in nonmilitary sectors. [passage omitted]

I must now provide the information concerning the plans for each of the ministries of the national executive branch.

The main objective of the Interior Ministry, which is to some extent involved in the antisubversive struggle, is to bring peace and development to the country through social justice. For this, the Interior Ministry will continue implementing a policy based on total compliance with the Constitution, the laws of the nation, and full respect for human rights, in order to protect the people's right to live in peace and tranquillity and prevent these conditions from being disrupted by subversive groups and other sectors which, without being strictly terrorist, still violate the laws. These are two clearly different groups.

Thus, the law preventing marches and demonstrations that were clearly illegal has been enforced. However, every effort has been made to not jeopardize the protesters' freedom of expression. In this regard, solutions will be sought to avoid in the future certain unfortunate situations that have cropped up.

We have emphasized that the police must support judges so that the latter's sentences are carried out for the good of the country's court system. Mechanisms have also been implemented to give judges and state prosecutors protection in keeping with the sensitive and frequently dangerous duties they must carry out.

Drawing on past experience, the Interior Ministry will implement a new strategy to deal with the terrorist phenomenon. The seriousness of the situation in the jungle, where terrorists and drug traffickers have joined forces, has prompted us to create a special police unit that has been supplied with land and air transportation means, communications, and arms.

We will continue to enhance and train our police forces and will further the process of integration of the various police branches in order to ensure the best possible fulfillment of their constitutional duties. We will also strive to surpass current achievements in the control of common crimes such as kidnappings, robberies, and thefts.

We will continue to fight drug trafficking and to prevent the expansion of coca leaf plantations, which have become the scourge of humanity. For this purpose, we want to count not only on our own efforts but also on international support. We want to prevent the use of methods that may harm our ecology and the health and lives of our animals. We do not want Peru to be used for certain experiments. We will not allow harmful experiments in Peru. [applause] [passage omitted]

National defense: We frequently hear that some problems that we treat publicly and directly ought to be treated secretly. However, we believe, and I have just demonstrated it, that by publicly revealing our plan of antiterrorist action we are serving democracy, because democracy is not synonymous with secrecy, except in some very special circumstances of national or popular defense. Therefore, to say what we want to make known, we do not need a secret session.

We have also reviewed the subversive situation and the effort demanded by the struggle to control it with the Armed Forces. Currently this effort is being done mainly by the Armed Forces. It is so because, as we all know, the Armed Forces have the constitutional mandate to guarantee the nation's independence, sovereignty, and territorial integrity. This primary mission demands that the Armed Forces be adequately prepared and equipped to confront any threat, from wherever it may come.

In fact, we want the Armed Forces to be prepared and equipped for that mission from and not to worry about alleged arms races or the aggressive intentions attributed to other countries with the necessary equipment. [sentence as heard]. The use of the Armed Forces in the struggle against subversion in the emergency zones, in compliance with constitutional provisions, has caused the deterioration of some means currently available. It has also diverted part of the economic resources that were used to maintain the appropriate levels required by military planning to meet any unforseeable contingency on the external front.

The Armed Forces' budget allocation is being maintained at a level that is sufficient only to meet current expenditures. Thus, a small percentage of that allocation, less than 8 percent, can be invested in projects and the acquisition of capital goods. On the other hand, the needs for modernization and replacement of materiel that has been worn out or become obsolete makes it impossible to attain the objectives set for the antiterrorist struggle. The quantity of internal resources that would be necessary in that regard are insufficient, and thus we would have to seek foreign help.

We should add that the procedure for using those allotments has caused unnecessary delays in the implementation of contracts with foreign countries, which has in turn extended the period needed for properly equipping the sector.

Consequently, considering that this situation is very difficult to handle with the current budget regulations, but bearing in mind a clear picture of our economic difficulties, in my capacity as president of the Council of Ministers and as former chairman of the Senate Defense Committee I want to point to the danger that the continuation of this situation can imply.

Based on the proposals that have been formulated for solving this situation, I am now proposing to Congress the Defense Ministry initiative to create a permanent national defense fund, like the funds created in that regard in other Latin American countries and the rest of the world.

In addition to the above, and considering that there are some unpostponable needs to be met like housing, health, food, clothing, and education for the Armed Forces' members and their relatives, the government has met each need within its capabilities. The regulations applying to this sector must be improved in order to improve the available funds and to increase salaries. [passage omitted]

The ideological principles of the government's foreign policy are based basically on our historical tradition and on the principles established by Haya de la Torre in 1924 which were incorporated into the APRA program. Fifty years later these principles became part of our Constitution as a mandate for all Peruvians.

These principles, the contents of which have been strengthened and enlarged in accordance with the international situation, have been in operation since 28 July 1985. Anti-imperialism, nationalism, nonalignment, integration, and Latin American unity, as well as the rejection of any form of colonialism, neocolonialism, and racial discrimination, and our solidarity with all the oppressed countries of the world are principles of our foreign policy. This policy will not only be maintained without exception, but will be strengthened during the remainder of our nationalistic, democratic, and popular government.

Within this context we must reaffirm the Peruvian commitment to the Contadora and Contadora Support Groups, the latter of which was founded on the initiative of President Alan Garcia and has done remarkably well in preventing the escalation of the war in Central America, in preventing that territory from becoming a zone of death and desolation. In this regard Peru fully supports the Esquipulas II peace plan and firmly rejects war-like and interventionist actions aimed at transferring extraterritorial interests and strategies into that zone.

The result of the work done by the Contadora and Contadora Support Groups, in which eight Latin American foreign ministers showed creativity and the ability

to cooperate for the pacification of Central America, has been the formation of a permanent mechanism of consultation and agreement called the Group of Eight. This group will hold its second meeting at the presidential level in Punta del Este to evaluate the agreements reached during the first meeting in Acapulco. It will also speed up its actions aimed at uniting efforts to strengthen the independence of our people to allow us to act united in dealing with common problems.

We are on the path to unity and common action, and from that point of view we reaffirm our commitment to strengthen the integration process by actively participating in the various international meetings for integration. I would like to emphasize that integration is essential to reaffirming the sovereignty of Latin American countries, to plan strategy and actions which would allow us to negotiate under more favorable conditions with the developed countries and with the centers of world power, to defend and receive better prices for our natural resources, and to seek agreements on issues such as the burden of the foreign debt affecting our people. The debt can be paid, but not under the usurious conditions which have been imposed on us and which we do not accept.

The choice we have continues to be either pay the foreign debt or have democracy, foreign debt or development, and foreign debt or the attention of our basic needs. In this regard we have already made the Peruvian position clear.

Regarding integration, Peru reiterates its commitments to strengthen the actions of ECLA aimed at gradually transforming that organization into a political organization where Latin American countries can reach agreements. Within this regional framework the government expresses its satisfaction with having participated actively in the transformation of the Andean Reserve Fund into a Latin American fund which opens its doors to the member countries of ALADI and later gradually to the countries of the region. [passage omitted]

Regarding our hemisphere, Peru maintains cordial and respectful relations with all countries, and will continue these relations within a process of reorganization to make the Foreign Relations Ministry a more dynamic organization. These relations are based on the unrenounceable principle of nonintervention, one of our foreign policy's main principles. This principle affirms the independence and sovereignty of our country not only in the face of any foreign interest but also in the face of the large international financial centers.

For us interventionism means domination and imperialism; therefore, we categorically reject any of it here in Peru or in any other country. We also believe our policy has a profound moral content; therefore, Peru reaffirms its firm position to struggle against drug trafficking because that is a crime against humanity, and especially against millions of youths who are victims of drug addiction. In the face of this policy, Peru has signed important cooperation agreements. One of them is the Rodrigo Lara Bonilla agreement in honor of the former Colombian justice minister who was murdered by drug traffickers.

We are also members of the American Alliance Against Drug Trafficking, which was created based on a Peruvian proposal during the 16th OAS General Assembly in Guatemala in 1986 and which guarantees the commitment of producers and consumers to make a common front against the multinationals of this vice.

I would like to reiterate that the struggle against drug trafficking is a moral imperative, and I would also like to announce that we will intensify our efforts in all internatinal meetings and in our bilateral contacts to coordinate our efforts in the face of this scourge against humanity. [passage omitted]

I would not like to leave out the issue I mentioned at the beginning of my speech in relation to our solidarity with the situation of some Latin American countries. In relation to Nicaragua, I reaffirmed our line of action. But in relation to Panama, and disregarding its internal situation, we demand that the Panama [Canal] Treaty be respected and obeyed. We endorse the support given by Haya de la Torre for the cause which the Panamanian people are defending now, and that U.S. intervention cannot be justified for any reason. [applause] [passage omitted]

Uruguay

Stoppages Commemorate 1973 Coup Response

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[Excerpt] Montevideo, 27 Jun (EFE)—Today the main Uruguayan labor organization called for partial stoppages, rallies, and marches to recall the general strike staged on 27 June 1973, the date of the last coup d'etat, and to demand better salaries.

The Inter-Union Workers Plenum-National Convention of Workers (PIT-CNT) called for the stoppages to recall "the heroic workers' response to the military coup" on its 15th anniversary.

The workers union, then called the National Convention of Workers (CNT), staged a 15-day general strike as a reaction to the coup.

Most of the workers union leaders were—as they are today—followers of communist trends, and many of them were jailed during the military regime (1973-85).

Today's stoppages affected banks, schools, ministries, mayoralities, factories, public transport, and other sectors.

The workers also gathered in front of the Economy and Finance Ministry to demand better salaries. [passage omitted]